

City Clerk File No. Ord. 15.107

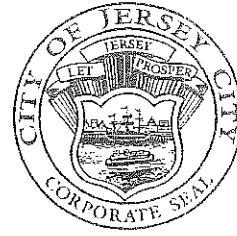
REPLACEMENT

Agenda No. 3. A. 1st Reading

Agenda No. 2nd Reading & Final Passage

THIS ORDINANCE SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE "REDEVELOPMENT AREA BOND FINANCING LAW" AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREINAFTER RECORDED

ORDINANCE OF JERSEY CITY, N.J.



COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.107

TITLE: ORDINANCE APPROVING THE EXECUTION OF A FINANCIAL AGREEMENT WITH GS FC JERSEY CITY PEP 1 URBAN RENEWAL LLC AND OTHER APPLICABLE DOCUMENTS RELATED TO THE AUTHORIZATION AND ISSUANCE BY THE JERSEY CITY REDEVELOPMENT AGENCY OF NOT TO EXCEED \$10,000,000 REDEVELOPMENT AREA BONDS (NON-RECOURSE TO THE FULL FAITH AND CREDIT OF THE CITY) AND DETERMINING VARIOUS OTHER MATTERS IN CONNECTION THEREWITH

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, the Municipal Council of the City of Jersey City, in the County of Hudson, State of New Jersey (the "City"), adopted an ordinance, which designated various properties, including, but not limited to, real property being designated as Block 11603, Lot 3, as shown on the official current tax map of the City, as an area in need of redevelopment (the "Redevelopment Area" and also referred to as the "Project Premises") for purposes of the Local Redevelopment and Housing Law, constituting Chapter 79 of the Laws of New Jersey of 1992 (the "State"), and the acts amendatory thereof and supplemental thereto (the "Redevelopment Law", as codified by N.J.S.A. 40A:12A-1 et seq.); and

WHEREAS, the Municipal Council of the City adopted an ordinance, approving a redevelopment plan for the Redevelopment Area, entitled "Harsimus Cove Station Redevelopment Plan" as the same may be amended and supplemented from time to time (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Area is governed by the Redevelopment Plan; and

WHEREAS, GS FC Jersey City 1, LLC and GS FC Jersey City 2, LLC (collectively, "FCR" or the "Redeveloper") are the fee title owners of the Project Premises; and

WHEREAS, GS FC Jersey City 1, LLC will convey title to GS FC Jersey City Pep 1 Urban Renewal, LLC pursuant to a Contribution Agreement dated June 24, 2015 between GS FC Jersey City Pep 1 LLC as the grantor, and GS FC Jersey City Pep 1 Urban Renewal, LLC, as the grantee; and

WHEREAS, GS FC Jersey City 1, LLC and GS FC Jersey City Pep 1 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City 1, LLC (collectively, "FCR" or the "Redeveloper") have made application to the Jersey City Redevelopment Agency (the "Agency") to be designated to redevelop the hereinafter defined Phase 1A Project; and

WHEREAS, the Agency has reviewed the proposal of the Redeveloper and related submissions and has determined that it is in the Agency's best interests to select the Redeveloper as the designated redeveloper for the Project Premises for purposes of negotiating an agreement for the redevelopment of the designated area; and

WHEREAS, the Redeveloper intends to record a Master Deed, (as the same may be amended and supplemented, the "Master Deed") to submit all of the Project Premises to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, GS FC Jersey City Pep 1 Urban Renewal LLC ("FC 1"), wholly-owned by the Redeveloper, will construct phase 1 of the redevelopment project as Master Condominium Unit 1 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C001, which is expected to consist of a new mixed-income thirty five (35) story building containing

approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be moderate income affordable housing rental units as hereinafter defined, approximately 12,435 square feet of ground-level retail space and a parking garage with approximately two hundred sixty four (264) parking spaces all located at the northeast corner of the Redevelopment Area and to be commonly known as 474 Warren Street, Jersey City, New Jersey ("Phase IA Project"); and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal LLC ("FC 2"), wholly-owned by the Redeveloper, will construct Phase IB of the redevelopment project as Master Condominium Unit 2 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C002, which is expected to consist of a new mixed-income thirty six (36) story building containing approximately four hundred thirty two (432) residential units, twenty percent (20%) or eighty-seven (87) of which will be affordable housing units as hereinafter defined, approximately 10,311 square feet of ground-level retail space and a parking garage for approximately two hundred one (201) parking spaces located adjacent to the Phase IA Project and to be commonly known as 444 Warren Street, Jersey City, New Jersey ("Phase IB Project" and, together with the Phase IA Project, the "Project"); and

WHEREAS, the Entity has agreed to record a deed or other agreement restricting twenty percent (20%) of the units or eighty-five (85) units as moderate income affordable housing (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) for a period of twenty (20) years from the date of Substantial Completion, to be administered by the City or its delegated agent according to HUD guidelines; and

WHEREAS, as long as the Phase IA Project by a recorded deed or agreement, continues to restrict (thereby setting aside) a minimum of twenty (20) percent of the project for moderate income affordable housing for a period of twenty (20) years from Substantial Completion, the City will not require the payment of the contribution to the City's Affordable Housing Trust Fund as a condition of receiving this tax exemption, in accordance with the authority conferred by N.J.S.A. 40A:12A-4.2. The adoption of the within Ordinance waiving this requirement shall supersede Section 304-28(B) solely for the purposes of the award of this tax exemption for the Phase IA Project only, as set forth in the Financial Agreement; and

WHEREAS, the Project requires certain on-site and off-site public improvements and infrastructure, including a pedestrian plaza, certain of which will be undertaken by FC 1 in connection with the Phase IA Project, but which benefit the entire Project, including, if and when completed, the Phase IB Project; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-66, a municipality that has designated a redevelopment area may provide for tax exemption within that redevelopment area and for payments in lieu of taxes in accordance with the provisions of the Long Term Tax Exemption Law of 1992, constituting Chapter 431 of the Pamphlet Laws of 1991 of the State of New Jersey, and the Acts amendatory thereof and supplemental thereto (the "Tax Exemption Law", as codified in N.J.S.A. 40A:12A-1 *et seq.*) as of the date of the herein Ordinance; provided, however, that the provisions of section 12 of the Tax Exemption Law (N.J.S.A. 40A:20-12) establishing a minimum or maximum annual service charge and requiring staged increases in annual service charges over the term of the exemption period, and of section 13 of the Tax Exemption Law (N.J.S.A. 40A:20-13) permitting the relinquishment of status under that law, shall not apply to redevelopment projects financed with bonds; and

WHEREAS, pursuant to the Tax Exemption Law, the City is authorized to provide for tax exemption within a redevelopment area and for payments in lieu of taxes in accordance with the applicable provisions thereof; and

WHEREAS, FC 1, has submitted an application to the City for the approval of Phase IA Project, as such term is used in the Tax Exemption Law, all in accordance with N.J.S.A. 40A:20-8 (the "Exemption Application", a copy of which is attached hereto as Exhibit A); and

WHEREAS, included in the Exemption Application is a request for a tax exemption and payment in lieu of taxes pursuant to the Tax Exemption Law and the Redevelopment Bond Law; and

WHEREAS, the Exemption Application contains documentation evidencing financial responsibility and capability with respect to the proposed development; estimated total development costs; estimated time schedule for commencement and completion of the proposed development; and conceptual plans; and

WHEREAS, the City evaluated the Exemption Application according to criteria which included financial capabilities, experience, expertise, and project concept descriptions; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the City will enter into a Financial Agreement with FC 1, governing payments made to the City in lieu of real

estate taxes on the Phase IA Project pursuant to the Tax Exemption Law (the "Financial Agreement"); and

WHEREAS, to finance certain aspects of the Phase IA Project, the Jersey City Redevelopment Agency (the "Agency") will issue bonds in an aggregate principal amount of up to \$10,000,000 (the "Redevelopment Area Bonds") pursuant to the Redevelopment Bond Law, debt service for the repayment of which Redevelopment Area Bonds will come from the Pledged Annual Service Charge (as that term is defined in the Financial Agreement attached hereto); and

WHEREAS, the Redevelopment Area Bonds will be scheduled to mature twenty five years (25) after the date of issuance, pursuant to approval by the Local Finance Board; and

WHEREAS, the City and FC 1 have each agreed that the Base Annual Service Charge (as that term is defined in the Financial Agreement attached hereto), which is not pledged to the payment of debt service on the Redevelopment Area Bonds, paid by FC 1 to the City shall be for the City's use in its sole discretion; and

WHEREAS, the City and FC 1 have agreed that the Entity shall pay to the City the sum of five percent (5%) of the Base Annual Service Charge, which is payment of the "County Annual Service Charge" (as such term is defined in the Financial Agreement attached hereto) for remittance by the City to the County of Hudson, as required by N.J.S.A. 40A:20-12; and

WHEREAS, the City made the following findings:

In accordance with the Tax Exemption Law, specifically N.J.S.A. 40A:20-11, the City hereby finds and determines that the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the City and its citizens because the Financial Agreement allows for the development of a blighted site into a productive, useful and job-creating property, and further:

(a) The costs associated to the City with the tax exemption granted herein are minor compared to the estimated Total Project Cost of the Phase IA Project of \$221,594,000, including an estimated \$165,836,000 in construction costs, an element of Total Project Costs, and the benefit created by (i) the construction of the Phase IA Project, (ii) the creation of approximately 390 jobs during the construction period and (iii) the creation of approximately 11 permanent jobs through the permanent operation of the Phase IA Project.

(b) Without the tax exemption granted herein it is highly unlikely that the Phase IA Project would otherwise be undertaken, as a source of funding all or a portion of the costs thereof, other than from the proceeds of the Redevelopment Area Bonds, would not otherwise be available; and

WHEREAS, FC 1 is qualified to do business under the provisions of the Tax Exemption Law, and has submitted to the Mayor the Exemption Application, which is on file with the Office of the City Clerk, requesting a tax exemption for the Phase IA Project; and

WHEREAS, the Mayor has submitted the Exemption Application and Financial Agreement to the Municipal Council with his written recommendation of approval (the "Mayor's Recommendation"), a copy of which is attached hereto as Exhibit B; and

WHEREAS, in order to set forth the terms and conditions under which FC 1 and the City (the "Parties") shall carry out their respective obligations with respect to (a) payment of the Annual Service Charge (as that term is defined in the Financial Agreement attached hereto) by FC 1 in lieu of real property taxes, and (b) issuance of the Redevelopment Area Bonds by the Agency and provision for repayment thereof by FC 1 (subject to adjustment as provided in the Financial Agreement), the Parties have determined to execute the Financial Agreement; and

WHEREAS, the Financial Agreement contemplates that the Annual Service Charge will be paid in three (3) categories: the Base Annual Service Charge, paid by FC 1 to the City for municipal services as set forth in the Tax Exemption Law for the City's use in its sole discretion, and the County Annual Service Charge made as an additional payment by FC 1 to the City for remittance by the City to Hudson County; and in addition to the Base Annual Service Charge and County Annual Service Charge, the Pledged Annual Service Charge, said payments (subject to adjustment as provided in the Financial Agreement) to be dedicated to debt service on the Redevelopment Area Bonds issued to support certain costs of the Phase IA Project, pursuant to Redevelopment Bond Law (in addition to payment of the County Annual Service Charge), and the County Annual Service Charge paid by FC 1 to the City for remittance by the City to Hudson County; and

WHEREAS, pursuant to the Redevelopment Bond Law, the City, in the exercise of its power under the Redevelopment Bond Law, may enter into contracts as necessary, for the purpose of securing the Redevelopment Area Bonds to finance the Phase IA Project; and

WHEREAS, the Redevelopment Bond Law requires the approval of the New Jersey Local Finance Board prior to the issuance of financial instruments such as the Redevelopment Area Bonds where such financial instruments are to be secured by payments in lieu of taxes such as the Pledged Annual Service Charges (subject to adjustment as provided in the Financial Agreement); and

WHEREAS, the City believes that (a) it is in the public interest for FC 1 to undertake the Phase IA Project; (b) the Phase IA Project is for the health, welfare, convenience or betterment of the inhabitants of the City; (c) the amounts to be expended by the City for said Phase IA Project are not unreasonable or exorbitant; and (d) the Phase IA Project is an efficient and feasible means of providing services for the needs of the inhabitants of the City and will not create an undue financial burden to be placed upon the City; and

WHEREAS, the City further wishes to approve the execution and delivery of a Pledge and Assignment Agreement with the Agency and/or its bond trustee (the "Pledge Agreement"), which Pledge Agreement will provide for, inter alia, the pledge and assignment of the Pledged Annual Service Charge to the Agency or its bond trustee as security for the payment of debt service on the Redevelopment Area Bonds; and

WHEREAS, the terms of any trust indenture to be entered into by the Agency in connection with the issuance of the Redevelopment Area Bonds will provide terms and provisions relating to the disbursement of proceeds of the Redevelopment Area Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, AS FOLLOWS:

1. The Redeveloper has been designated by the Jersey City Redevelopment Agency to act as redeveloper for the Phase IA Project, in accordance with the Redevelopment Plan and the plans and specifications contained in the Exemption Application, subject to the conditions and as more fully set forth in the form of Financial Agreement attached hereto. To the extent of any inconsistency with the definition of the "Phase IA Project" as contained in the Redevelopment Agreement, the definition of the Phase IA Project as contained herein and in the Financial Agreement shall control.
2. The Exemption Application, a copy of which is attached hereto as Exhibit A, is hereby approved in accordance with the Mayor's Recommendation, a copy of which is attached hereto as Exhibit B.
3. The Municipal Council hereby finds and determines that the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the City and its citizens because it allows for the development of a blighted site into a productive, useful and job-creating property, and further (a) the costs associated to the City with the tax exemption granted herein are minor compared to the estimated Total Project Cost of the Phase IA Project of \$221,594,000, including an estimated \$165,836,000 in construction costs, an element of Total Project Costs, and the benefit created by (i) the construction of the Improvements, (ii) the creation of approximately 390 jobs during the construction period and (iii) the creation of approximately 11 permanent jobs through the permanent operation of the Improvements, and (b) without the tax exemption granted herein it is highly unlikely that the Project would otherwise be undertaken, as a source of funding all or a portion of the costs thereof, other than from the proceeds of the Redevelopment Area Bonds, would not otherwise be available.
4. An exemption from taxation is hereby granted to FC 1, with respect to the Phase IA Project for the term set forth in the Financial Agreement, but in no event shall the tax exemption commence until the effective date of the Financial Agreement, nor extend beyond the earlier of (i) thirty (30) years from the date of the adoption of this ordinance or (ii) twenty-five (25) years from the Substantial Completion of the Phase IA Project and only so long as the Phase IA Project is owned by an entity formed and operating under the Tax Exemption Law.
5. To the extent of any inconsistency with any prior City ordinance and/or Municipal Code provision governing the granting of long-term tax exemptions, including, inter alia, procedures for application, review and approval, required terms of the financial agreement, the payment of the Affordable Housing Trust Fund contribution under Jersey City Code Section 304-28(B), required conditions and covenants, limits on duration, means of enforcement, and all other matters whatsoever, such prior City ordinances and/or Municipal Code provisions are hereby

waived (or, alternatively, shall be deemed to be amended and/or superseded by this ordinance) to the extent of such inconsistency, but only with respect to this Ordinance.

6. The term of the Redevelopment Area Bond for the Phase 1A Project, shall be twenty-five (25) years from the date of issuance.
7. The Financial Agreement, in substantially the form attached hereto as Exhibit C, is approved. The Mayor or Business Administrator (Authorized Officers) are each hereby authorized to execute, on the City's behalf, the Financial Agreement in substantially such form, with such changes as the Authorized Officers shall determine, in consultation with the Corporation Counsel, such determination to be conclusively evidenced by their execution of the Financial Agreement. The City Clerk is hereby authorized and directed to attest to the execution of the Financial Agreement by the Authorized Officers of the City as determined hereunder and to affix the corporate seal of the City to the Financial Agreement.
8. Pursuant to the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(c) and, if applicable, N.J.S.A. 40A:12A-69, the City is hereby authorized to assign, for the benefit of the Agency and/or its bond trustee and as security for the Redevelopment Area Bonds, all of the City's right, title and interest in and to the Pledged Annual Service Charges. The Pledge Agreement, in substantially the form attached hereto as Exhibit D, is approved. The Authorized Officers, or either of them, are each hereby authorized to execute and deliver, on behalf of the City, the Pledge Agreement in substantially such form, with such changes as the Authorized Officers shall determine, in consultation with the Corporation Counsel, such determination to be conclusively evidenced by their execution of the Pledge Agreement. The Authorized Officers, or either of them, are each hereby further authorized to execute and deliver, on behalf of the City, such additional instruments as they may deem, in consultation with the Corporation Counsel, to be necessary or appropriate for the purpose of effectuating such assignment. The City Clerk is hereby authorized and directed to attest to the execution of the Pledge Agreement and any such additional instruments by the Authorized Officer(s) of the City as determined hereunder and to affix the corporate seal of the City thereto.
9. Executed copies of the Financial Agreement and the Pledge Agreement shall be certified by the City Clerk and filed with the Office of the City Clerk. The Office of the City Clerk shall also forthwith file certified copies of this ordinance and the Financial Agreement with the Director of the Division of Local Government Services pursuant to N.J.S.A. 40A:20-12.
10. Upon the execution of the Financial Agreement as contemplated herein, the Authorized Officers and the City Clerk are each hereby severally authorized and directed to file and record this Ordinance and the Financial Agreement with the Hudson County Register such that the Financial Agreement and this Ordinance shall be reflected upon the land records of the County of Hudson as a lien upon and a covenant running with each and every parcel of land constituting the Phase 1A Project. Pursuant to and in accordance with the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-68(c), and notwithstanding any other law to the contrary, upon recordation of both this ordinance and the Financial Agreement, the lien thereof shall be perfected for all purposes in accordance with law and the lien shall thereafter be superior to all non-municipal liens thereafter recorded or otherwise arising, without any additional notice, recording, filing, continuation filing or action, until payment of all of the Redevelopment Area Bonds.
11. The Authorized Officers of the City are hereby further severally authorized and directed to (i) execute and deliver, and the City Clerk is hereby further authorized and directed to attest to such execution and to affix the corporate seal of the City to, any document, instrument or certificate deemed necessary, desirable or convenient by the Authorized Officers or the City Clerk, as applicable, in their respective sole discretion, after consulting with the Corporation Counsel, to be executed in connection with the execution and delivery of the Financial Agreement and the Pledge Agreement and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.
12. The Phase 1A Project when completed shall conform with all Federal and State law and ordinances and regulations of the City relating to its construction and use.
13. FC 1 shall in the operation of the Phase 1A Project comply with all laws so that no person shall, because of race, religious principles, color, national origin or ancestry, be subject to any discrimination.

14. FC 1 shall, from the time the Annual Service Charge becomes effective, pay the Annual Service Charge as set forth in the Financial Agreement.
15. All City officers and professionals are hereby authorized to take all necessary and appropriate steps to assist and join with FC 1 (i) in connection with the required application to the New Jersey Local Finance Board for approval of the issuance of the Redevelopment Area Bonds (in an aggregate principal amount up to \$10,000,000.00 for the Phase 1A Project) for the funding of a part of the cost of the Project and (ii) in connection with the required application to the Agency for approval of its issuance of said Redevelopment Area Bonds.
16. FC 1 shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this Ordinance.
17. This ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.
18. Term: the earlier of 30 years from the adoption of the within Ordinance or 25 years from the date the Phase 1A Project is Substantially Complete.
19. Annual Service Charge in each year shall be calculated as follows:
 - (a) the amount in each year after Substantial Completion which shall be the greater of:
 - (i) the Minimum Annual Service Charge equal to the amount of a portion of the total taxes (land and pre-existing improvements) levied against all real property in the area covered by Phase 1A Project in the last full tax year in which the Property was subject to taxation, which sum is estimated to be approximately \$64,594; or
 - (ii) the Base Annual Service Charge equal to seven percent (7%) of Annual Gross Revenue of the Phase 1A Project for the first twenty (20) years of the term, which sum is estimated to be \$912,780, and for the remaining five years of the term, the greater of 7% of Annual Gross Revenue or ninety-five percent (95%) of conventional taxes otherwise due, as set forth in the Financial Agreement; and additionally
 - (b) the Pledged Annual Service Charge; plus
 - (c) the County Annual Service Charge.
20. Administrative Fee: 2% of the prior year's Annual Service Charge, which sum is estimated to be \$18,255.
21. County Payment: 5% of the Base Annual Service Charge to be paid by FC 1 to the City for remittance by the City to Hudson County, which sum is estimated to be \$45,639.
22. Phase 1A Project: A new mixed-income mixed use residential rental redevelopment project as Master Condominium Unit 1 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C001, which is expected to consist of a new mixed-income thirty five (35) story building containing approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be affordable housing units, approximately 12,435 square feet of ground-level retail space and a parking garage for approximately two hundred sixty four (264) parking spaces all located on the Phase 1A property.
23. Affordable Housing Trust Fund: Waived per Paragraph 4 hereof and as set forth in the Financial Agreement.
24. An obligation to execute a Project Labor Agreement and a Project Employment and Contracting Agreement to ensure employment and other economic benefits to City residents and businesses.
25. The Financial Agreement shall be executed by the Entity no later than ninety (90) days following adoption of the within Ordinance. Failure to comply shall result in a repeal of the herein Ordinance and the tax exemption will be voided unless otherwise extended at the City's sole discretion.
26. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Phase 1A Project begins within two (2) years of the adoption of the within Ordinance.

- A. The City Clerk shall deliver a certified copy of the Ordinance and Financial Agreement to the Tax Assessor and Director of the Division of Local Government Services.
- B. The application is on file with the office of the City Clerk. The Financial Agreement and Project Employment and Contracting Agreement shall be in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator or Corporation Counsel deems appropriate or necessary.
- 27. The Entity shall record the deed restriction or other agreement restricting twenty percent (20%) of the units as moderate income affordable housing, and provide proof thereof to the City, within ninety (90) days of adoption of the herein ordinance and prior to execution of the Financial Agreement.
- C. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- D. This ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- E. This ordinance shall take effect at the time and in the manner provided by law.
- F. The City Clerk and Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All material is new; therefore underlining has been omitted.
For purposes of advertising only, new matter is indicated by **bold face**
and repealed matter by *italic*.

DJ
7/28/15

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐
Not Required ☐

GS FC Jersey City Pep 1

1. Ownership disclosure certification
2. Fiscal Impact Cost Projection
3. Good Faith estimate of rental income/condo
4. Projected construction costs
5. Schedule of ASC over the abatement
6. Tax Assessor spreadsheet
7. Projection of sales price for condos (n/a)
8. Memorandum from Al Cameron to the Law Department
9. Financial Agreement (attached to the Ordinance)

EXHIBIT F

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

Disclosure Statement

NAME OF ENTITY: GS FC Jersey City Pep 1 Urban Renewal, LLC

LOCATION OF PROJECT: Block 11603, Lot 3

Jersey City, New Jersey

PRINCIPAL PLACE OF BUSINESS: c/o Forest City Residential Group, Inc.
Terminal Tower, Suite 1300
50 Public Square
Cleveland, Ohio 44113-2267

PRINCIPAL CONTACT: Abe Naparstek
Forest City Residential Group
1 Metro Tech Center North
Brooklyn, NY 11201

NAME OF REGISTERED AGENT: Corporation Service Company
830 Bear Tavern Road, Suite 305
West Trenton, New Jersey 08628

I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE NAMES OF ALL MEMBERS IN THE ABOVE URBAN RENEWAL ENTITY (IF ONE OR MORE OF THE ABOVE NAMED IS ITSELF AN ENTITY, THE APPLICANT HEREBY PROVIDES THE NAMES OF ANY ENTITY OWNING AN INTEREST THEREIN)

100% of the membership interests in the Entity are owned by GS FC Jersey City Pep I, LLC, a Delaware limited liability company.

----50% of the membership interests in GS FC Jersey City Pep I, LLC are owned by G&S Investors/Jersey City L.P, a New York limited partnership.

-----the 1% general partner of G&S Investors/Jersey City L.P, is Jersey City Associates Inc, a New Jersey corporation.

-----the limited partners of G&S Investors/Jersey City L.P are Gregg Wasser owning a 90% interest and Lucas Traub owning a 9% interest.

-----the shareholders of Jersey City Associates Inc, are Gregg Wasser owning 90% of the shares and Lucas Traub owning 10% of the shares.

----50% of the membership interests in GS FC Jersey City Pep I, LLC are owned by Forest City Residential Group, LLC, a Delaware limited liability company.

-----100% of the membership interests of Forest City Residential Group, LLC are owned by Forest City Rental Properties Corporation, an Ohio corporation.

-----100% of Forest City Rental Properties Corporation is owned by Forest City Enterprises Inc., a publicly traded company. A list of its executive officers is attached hereto. A list of those persons or entities which are known to be the beneficial owners of more than 5% of outstanding common shares is attached hereto.

[SEE ADDENDUM ATTACHED]

I further certify that the foregoing statements made by me are true and accurate in all material respects and I understand that the City of Jersey City is relying upon this Certification in considering the Application.. .

Dated: June 9, 2015

GS FC Jersey City Pep 1 Urban Renewal, LLC, a New Jersey limited liability company

By: 

Name: Abe Najarstek

Title: Authorized Representative

FISCAL IMPACT COST PROJECTION: MIXED RATE RENTAL UNITS

Block: 11603 Lot: 3 Qual: C0001 Loc: 474 WARREN ST (PEP BOYS PHASE 1)

Market Rate/Affordable Mixed Income Rentals	Planned Development	Number of Units	Demographic Multipliers*		Total	Annual Expenditures		Total Annual Expenditures		
			Household	Students		Per Capita Municipal	Per Pupil Per School District	Municipal	School District	Total
1 Bedroom		241	1.421	0.050	342.46	\$1,163.68	\$3,445.00	\$398,515.53	\$41,512.25	\$440,027.78
2 Bedroom		95	2.012	0.120	191.14	\$1,163.68	\$3,445.00	\$222,426.08	\$39,273.00	\$261,699.08
1 Bedroom (Affordable)		62	1.610	0.140	99.82	\$1,163.68	\$3,445.00	\$116,158.69	\$29,902.60	\$146,061.29
2 Bedroom (Affordable)		23	2.760	0.620	63.48	\$1,163.68	\$3,445.00	\$73,870.50	\$49,125.70	\$122,996.20
TOTAL		421			696.90			\$810,970.80	\$159,813.55	\$970,784.35

1. Total Municipal Ratables	\$5,916,171.471	4. CY 2014 Budget	\$516,641,147	6. Population of Jersey City (2010 Census)	247,597	9. Increase in Services Incurred Per Development	\$ 970,784.35
2. Residential Ratables	\$3,299,371,862			7. Per Capita Municipal Cost	\$1,163.68	10. Anticipated Gross PILOT 1st Year	
Commercial Ratables	\$1,439,637,425			8. Annual Expenditures Per Student**	\$3,445.00	7% AGR	\$ 912,780.00
3. Residential Ratables as a Percentage of Total Ratables	55.77%	5. Residential Portion	\$268,124,048			5% County	\$ 45,639.00
						2% Admin	\$ 18,255.60
						Less Land Tax (74.34)	\$ (337,875.30)
						11. 1st Year Net PILOT	\$ 638,799.30
						12. Implied Surplus (Cost)	\$ (331,985.05)

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

*Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006

**Source: 2014-2015 Jersey City Municipal Cost Per Pupil

Additional estimated Annual Pledged Service Charge amounts not included in impact will average \$936,950.

EXHIBIT B-2

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC
ESTIMATED FISCAL PLAN

Rental Income:

<u>Apartment</u>	<u>Units</u>	<u>Annual</u>
Junior 1 Bedroom x	78	\$1,968,000
One Bedroom x	225	\$6,215,928
Two Bedroom x	118	\$4,239,144
Total Potential Residential Income		\$12,368,040
Other Project Revenue		<u>\$1,363,180</u>
Total Gross Income		\$13,731,220
Vacancy (6%)		<u>(\$823,220)</u>
Effective Gross Income		\$12,907,347

Property, administrative and financial expenses:

Payment in lieu/BASC+CASC+Admin Fee	\$966,760
Management Fee (3.3%)	\$419,500
Repairs and Maintenance	\$430,500
Insurance	\$116,000
Utilities	\$358,000
Labor - Payroll, Taxes & Benefits	\$751,000
Advertising/Marketing	\$274,000
Miscellaneous Operating Expenses	\$214,000
Reserves	<u>\$126,000</u>
Total Expenses	\$3,655,760

Net Operating Income (before Debt Service): \$9,251,587

Debt Service \$8,491,072

NET OPERATING INCOME LESS DEBT SERVICE: \$760,515

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

EXHIBIT B-3

ANNUAL GROSS REVENUE COMPUTATION

EXHIBIT B-3

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

ANNUAL GROSS REVENUE COMPUTATION

(1)	Total Annual Gross Rental Income	\$12,496,600
(2)	Real Estate Taxes and/or Assessment on Property*	\$
(3)	Insurance Premiums*	\$
(4)	Operating, Maintenance or Repair Expenses*	\$

*N.J.S.A. 40A:20-3(a) provides that "the financial agreement shall establish the method of computing gross revenue for the entity, and the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, which shall be included in gross revenue..."

Total Annual Gross Rental

Apartments	<u>Units</u>	<u>Annual</u>
Junior 1 Bedroom x	78	\$1,912,968
One Bedroom x	225	\$6,215,928
Two Bedroom x	118	\$4,239,144
Total Potential Residential Income		\$12,368,040
Other Project Revenue		<u>\$1,363,180</u>
Total Gross Income		\$13,731,220
Vacancy (6%)		(\$823,320)
Effective Gross Income		\$12,907,347

(5)	Annual Payment in Lieu of Taxes:	
	7% BASC+CASC+Admin Fee Years 1-20	\$966,760.00

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

EXHIBIT C

**TOTAL PROJECT COST & CERTIFICATION
OF ESTIMATED CONSTRUCTION COSTS**

EXHIBIT C

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

Total Project Cost

Estimated Total Project Cost Calculation per N.J.S.A. 40A:20-3(h):

A. Cost of land and improvements to Urban Renewal Entity	\$18,440,000
B. Architects, Engineers, surveying and Attorney Fees (paid or payable) in connection with the planning, construction and financing of the Phase 1A Project	\$ 9,771,000
C. Projected construction cost per architect's estimate, bids including site preparation	\$165,836,000
D. Insurance, Interest, and Finance Costs during Construction	\$8,352,000
E. Cost of Obtaining Initial Permanent Financing	\$5,142,000
F. Marketing and other expenses payable in connection with initial lease of units	\$5,362,000
G. Real Estate Taxes and Assessments during Construction Period	\$400,000
H. Developer's Overhead based on a percentage of (c) above, to be computed in accordance with percentage given in law N.J.S.A. 40A:20-3 (h)	\$ 8,291,800
Total Project Cost	\$221,594,000

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

EXHIBIT C-1

CERTIFICATION OF ESTIMATED CONSTRUCTION COSTS

EXHIBIT C-1

GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC

Certification of Estimated Construction Costs

On this 9th day of June, 2015 the undersigned being the architect for the Phase 1A Project to be developed by GS FC Jersey City Pep 1 Urban Renewal, LLC, does hereby certify to the best of my knowledge and belief that Exhibit C accurately reflects the estimated actual construction costs of the Phase 1A Project.

By: 

Name: JOHN PETERS

Title: Architect

GS FC JERSEY CITY PEP I URBAN RENEWAL ASSOCIATES, LLC**Block 11603 Lot 3.1 QL:C0001****474 Warren St.****(With Affordable Housing Component)**

Block	Lot		Existing Prorated (subdvi.)	New Assessments	Good Faith ASC	Land Tax	Assessment (Phased-In)
11603	3.01	Land	490,100	4,545,000			
		Bldg	378,800	27,104,300	912,780		22,099,500
		Total	868,900	31,649,300	912,780		22,099,500

**Est. In-Lieu of Full Property Tax Payments An Amount Equal
To A Percentage Of Taxes Otherwise Due On The Land and
New Improvement According To The Following Stages:**

Stages	ASC	Annual Taxes* Bldg (Phased-In)	Taxes Land & Bldg
1 From the 1st day of the month following substantial completion until the last day of the 9th year, the ASC shall be at 7% of Annual Revenue	\$ 912,780	\$ 337,875	0 \$ 337,875
2 Beginning on the 1st day of the 10th year and the last day of the 13th year of substantial completion, an amount equal to the greater of the ASC at 7% or 20% of the amount of taxes otherwise due on the value of the land and improvements	\$ 912,780	\$ 337,875	\$ 402,987 \$ 740,862
3 Beginning on the 1st day of the 14th year and the last day of the 17th year of substantial completion, an amount equal to the greater of the ASC at 7th or 40% of the amount of taxes otherwise due on the value of the land and improvements	\$ 912,780	\$ 337,875	\$ 805,973 \$ 1,143,849
4 Beginning on the 1st day of the 18th year and the last day of the 21st year of substantial completion, an amount equal to the greater			

of the ASC at 7% or 60% of the amount of taxes otherwise

due on the value of the land and improvements \$ 912,780 \$ 337,875 \$ 1,208,960 \$ 1,546,835

- 5 Beginning on the 1st day of the 22nd year and the last day of the 30th year of substantial completion, an amount equal to the greater of the ASC at 7% or 80% of the amount of taxes otherwise

due on the value of the land and improvements \$ 912,780 \$ 337,875 \$ 1,611,947 \$ 1,949,822

Yearly Land and Improvement Yearly Tax

\$ 2,352,809

#####

(Based on 2014 tax rate of \$74.34 & 30.02% Assessment Ratio)

DATE: July 15, 2015

TO: Diana Jeffrey (For distribution to City Council and City Clerk)

FROM: Al Cameron, Fiscal Officer - Tax Collector's Office

SUBJECT: TWENTY- FIVE YEAR TAX ABATEMENT: MIXED-USE, MIXED-INCOME RENTAL PROJECT – GS FC Jersey City pep 1 Urban Renewal LLC, - Block 11603 Lot 3 Qualifier C 0001

CC: M. Cosgrove, E. Borja, E. Toloza, J. Monahan, M. Vigil, G. Corrado

INTRODUCTION:

The applicant, GS FC Jersey City Pep 1 Urban Renewal LLC, is applying for a twenty-five (25) year tax abatement under N.J.S.A. 40A:20-1 et seq. It will be new construction of a thirty-five (35) story mixed-use, mixed-income rental project constructed on Block 10102 Lot 3. This is phase one (1) of a two (2) phase project. Phase two (2) is not part of this application. Since twenty percent (20%) of the residential units are affordable to residents earning no more than eighty percent (80%) of the Hudson County median income adjusted for family size, an application fee is not required.

LOCATION OF THE PROPERTY:

The property is located at the former site of Pep Boys Store. It is west of the HBLR Tracks between Washington Boulevard and the proposed extension of Warren Street between Fourth (4th) Street and Thomas Gangemi Drive. It is Currently Block 11603 Lot 3. It will be Unit 1 of a planned two (2) unit Condominium. A Master Deed is yet to be filed. The proposed address is 474 Warren Street.

FINANCING PLAN:

The Applicant proposes to finance in the approximate the project using following sources:

- \$51,000 Private equity
- \$128,400,000 Construction Loan
- \$10,000,000 Redevelopment Area Bonds issued by the Jersey City Redevelopment Agency.
- \$33,000,000 EB5 Immigrant investor Financing Program
- \$40,000,000 Tax Credit Allocation from the New Jersey Economic Development Authority Grant

PROPERTY TO BE CONSTRUCTED:

The proposed project will be thirty-five (35) story mixed-use, mixed-income rental building. The building will contain approximately four hundred and twenty-one (421) residential units, 12,435 square feet commercial space. There will also be a parking garage for two hundred sixty-four (261) cars. The residential units will consist of the following:

<u>Unit Type</u>	<u>Market Rate</u>	<u>Affordable</u>	<u>Total</u>
Junior One bedroom	62	16	78
One Bedroom	179	46	225
Two Bedroom	95	23	118
Total	336	85	421

ESTIMATED TOTAL PROJECT COST:

The cost of construction estimated at \$165,836,000 is certified by John Pears the applicant's architect. Total Project Cost is projected at \$221,594,000. Note the proposed financing is less than the total project cost.

CONSTRUCTION SCHEDULE:

The applicant estimates construction will begin in August 2015 with completion in approximately two (2) years.

ESTIMATED JOBS CREATED:

The applicant estimates creation of three hundred-ninety (390) jobs during Construction. Post-construction jobs will be approximately eleven (11) permanent real estate management and service positions. In addition the projected retail positions are approximately twelve (12). The applicant will execute both a Project Employment and Contracting Agreement and a Project Labor Agreement.

CURRENT REAL ESTATE TAX:

The total current assessment for the land and building for the entire lot is \$1,750,000. At the current tax rate of \$74.34 the 2014 tax was \$130,065. The Tax Assessor has assessed the land on the proposed subdivision into two condominium units. The land for Condo Unit 1 is assessed at \$4,545,000. The assessment for the improvements will be approximately \$27,114,879 when complete.

PROPOSED ABATEMENT:

The applicant has requested a term of the lesser of thirty (30) years from the date of approval of an ordinance approving the abatement or twenty-five (25) years from substantial completion of the project.

The Applicant proposes a Base Annual Service Charge of seven percent (7%) of Annual gross revenue, in years one (1) through twenty (20). In addition the Applicant two percent (2%) City administrative fee and a five percent (5%) service charge to Hudson County.

Beginning in year twenty-one (21) through the end of year twenty-five (25) the Base Annual Service charge shall increase to ninety-five percent (95%) of conventional taxes. The City will pay the fee of Five percent to the County. It will not be paid by the Applicant.

In addition the Applicant will pay a Pledged Annual Service Charge equal to the full amount of the Debt Service required to annual meet the payments on the Redevelopment Area Bonds. The estimated annual pledged amounts will average \$936,950. The estimated maximum payment is \$1,021,050. The applicant will not pay a County fee and an administration fee on the Pledged ASC.

PROPOSED REVENUE TO THE CITY:

At full occupancy the Good Faith estimated annual revenue is \$13,037,718. The Basic Annual Service charge at the rate of seven percent (7%) is \$912,780. The City Administrative fee at two percent (2%) would be \$18,255 and the Hudson County fee of five percent (5%) would be \$45,639

Record and Return To:

Rev. 7-28-15

Long Term Tax Exemption

N.J.S.A. 40A:20-1, et seq.

(New Market Rate Res Rental FA)

Re: 474 Warren Street
Approximately 1.25 Acres
Block 11603, Lot 3
Master Condominium Unit 1
Harsimus Cove Station Redevelopment Plan, as amended
and supplemented

PREAMBLE

THIS FINANCIAL AGREEMENT [Agreement] is made this ____ day of _____, 2015, by and between **GS FC JERSEY CITY PEP 1 URBAN RENEWAL LLC**, an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, N.J.S.A. 40A:20-1 et seq. [Long Term Tax Exemption Law], having its principal office at c/o Forest City Residential Group, Inc., Terminal Tower, 50 Public Square, Suite 1300, Cleveland, OH 44113-2267 [Entity], and the **CITY OF JERSEY CITY**, a municipal corporation of the State of New Jersey, having its principal office at City Hall, 280 Grove Street, Jersey City, New Jersey 07302 [City].

RECITALS

WITNESSETH:

WHEREAS, **GS FC JERSEY CITY PEP 1 URBAN RENEWAL, LLC** is the contract purchaser under a Contribution Agreement dated June 24, 2015, between FS FC Jersey City Pep I LLC as the grantor, and GS FC Jersey City Pep 1 Urban Renewal, LLC as the grantee, for certain real property designated as Block 11603, Lot 3, C 0001, as set forth as Exhibit 1 to this Agreement, as shown on the official current tax map of the City of Jersey City, New Jersey, more commonly known by the street addresses of 474 Warren Street, and more particularly described by the metes and bounds description set forth as Exhibit 2 to this Agreement [Property], which Property is located within the boundaries of the Harsimus Cove Station Redevelopment Plan area, as amended and supplemented; and

WHEREAS, the redevelopment of the Harsimus Cove Station Redevelopment Plan area requires certain on-site and off-site public improvements and infrastructure, certain of which will be undertaken by the Entity in connection with the Phase IA Project (defined below); and

WHEREAS, GS FC Jersey City Pep 1, LLC and GS FC Jersey City Pep 2, LLC will record a Master Deed [Master Deed] to submit all of the Property to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as “Warren and 6th Condominium”; and

WHEREAS, the Master Deed shall create two (2) master condominium units, with proportionate common elements, to be developed in two (2) phases; and

WHEREAS, GS FC Jersey City Pep 1, LLC, GS FC Jersey City Pep 2, LLC and the Entity have entered into a Contribution Agreement, dated as of June 24, 2015, pursuant to which the Entity will be the owner of master condominium unit 1 ([Master Condominium Unit 1]) located on the Property; and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal, LLC has entered into a Contribution Agreement dated June 24, 2015, pursuant to which GS FC Jersey City Pep 2 Urban Renewal, LLC will be the owner of Master Condominium 2, located on the Property; and

WHEREAS, the Entity plans to construct phase 1, which will consist of a 35-story building having approximately 421 market-rate residential rental units, of which twenty percent (20%) or eighty-five (85) units will be moderate income affordable rental housing, and the remaining eighty percent (80%) or 336 units will be market rate residential rental housing, and including approximately 12,435 square feet of retail/commercial space and a parking garage containing approximately 264 parking spaces, together with public improvements and infrastructure related thereto [collectively, the Phase IA Project]; and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal, LLC plans to construct phase 2, which is expected to consist of a thirty-six (36) story building having approximately 432 market-rate residential rental units, of which twenty percent (20%) or eighty-seven (87) units will be moderate income affordable rental housing, and the remaining eighty percent (80%) or 345 units will be market rate residential rental housing, including approximately 10,311 square feet of retail/commercial space, and a parking garage containing approximately 201 parking spaces, together with public improvements and infrastructure related thereto located adjacent to the Phase IA Project and to be commonly known as 444 Warren Street, Jersey City, New Jersey [Phase 1B Project], and GS FC Jersey City Pep 2 Urban Renewal, LLC is entering into a Financial Agreement with the City with respect to the Phase IB Project on the date hereof [Phase IB Financial Agreement]; and

WHEREAS, The eighty-five (85) on-site moderate income affordable housing units in the Phase IA Project shall be subject to a deed restriction or other recorded agreement as a Material Condition of this Financial Agreement, and this deed restriction or other recorded agreement shall restrict twenty percent (20%) or 85 units as moderate income affordable housing for a minimum period of twenty (20) years from the date of Substantial Completion (as hereinafter defined) of the Phase 1A Project (the “Affordable Housing Term”); and

WHEREAS, the parties agree that the 85 units in the Phase 1A Project shall be subject to the affordability controls, restrictions on rents, such that all 85 units shall be reserved for persons of moderate income (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) and such tenant eligibility requirements as set forth in HUD guidelines, to be administered by the City or its designated agent, and shall be a Material Condition of this Financial Agreement and as more fully described herein; and

WHEREAS, The eighty-five (85) on-site moderate income affordable housing units in the Phase 1A Project shall include sixteen (16) junior one bedroom units; forty-six (46) one bedroom units; and twenty three (23) two bedroom units; and

WHEREAS, on March 10, 2015, the Phase 1A Project received a site plan approval from the Planning Board; and

WHEREAS, on July 9, 2015, the Entity filed an Application with the City, for a Phase 1A long term tax exemption for the Phase 1A Project; and

WHEREAS, by the adoption of Ordinance _____ on _____, 2015, the Municipal Council approved a long term tax exemption for the Phase 1A Project and authorized the execution of a Financial Agreement; and

WHEREAS, the City made the following findings:

A. Relative Benefits of the Phase I Project when compared to the costs:

1. the current real estate taxes as pro-rated for Master Condominium Unit 1, Block 11603, Lot 3, C.0001, generate total revenue of approximately \$ 64,594, whereas, the service charges payable hereunder [Base Annual Service Charge], as estimated, will generate revenue to the City an annual service charge of \$912,780;

2. No contribution to the City's Affordable Housing Trust Fund shall be required of the Entity pursuant to Jersey City Code Section 304-28(B), as long as the Entity shall, by a recorded deed or agreement, restrict (thereby set aside) twenty percent (20%) of the project for moderate income affordable housing for the Affordable Housing Term. In the event that the Entity should voluntarily terminate its tax exemption or take action to cause the affordability control restrictions to expire, prior the expiration of the Affordable Housing Term, the Entity shall make the Affordable Housing Trust Fund contribution to the City in the amount of \$650,153, as shall be adjusted for inflation, within thirty days of the event triggering this payment;

3. it is expected that the Phase 1A Project will create approximately 390 new construction jobs, and 11 new permanent full time jobs;

4. the Phase IA Project should stabilize and contribute to the economic growth of existing local business and to the creation of new businesses, which cater to new occupants;

5. the Phase IA Project will further the redevelopment objectives of the Harsimus Cove Station Redevelopment Plan, which include the promotion of the principals of smart growth and transit village development;

6. the City's Fiscal Impact Cost Analysis, on file with the Office of the City Clerk indicates that the benefits of the Project outweigh the costs to the City; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the Phase IA Project and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Phase I Project more attractive to investors and lenders needed to finance the Phase IA Project; and

2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life the Phase IA Project, which will attract occupants to the Phase IA Project, insure the likelihood of stabilized rents to tenants and the success of the Phase IA Project; and

3. the relative stability and predictability of the service charges will have a positive impact on the surrounding area; and

WHEREAS, on April 21, 2015, the Entity entered into that certain Redevelopment Agreement [Redevelopment Agreement] with Jersey City Redevelopment Agency [JCRA] in accordance with the Local Redevelopment and Housing Law, as amended and supplemented, N.J.S.A. 40A:12A-1 et seq. [Redevelopment Law]; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-66, a municipality that has designated a redevelopment area may provide for tax abatement (exemption) within that redevelopment area and for payments in lieu of taxes in accordance with the provisions of the Long Term Tax Exemption Law; provided, however, that the provisions of section 12 of the Long Term Tax Exemption Law (N.J.S.A. 40A:20-12) establishing a minimum or maximum annual service charge and requiring staged increases in annual service charges over the term of the exemption period, and of section 13 of the Long Term Tax Exemption Law (N.J.S.A. 40A:20-13) permitting the relinquishment of status under that law, shall not apply to redevelopment projects financed with bonds; and

WHEREAS, pursuant to the Redevelopment Law and Redevelopment Area Bond Financing Law, as amended and supplemented, N.J.S.A. 40A:12A-64 et seq. [RAB Law], the Project is a redevelopment project in a redevelopment area, within the meaning of such law, and JCRA has agreed in the Redevelopment Agreement to issue bonds to finance the Project

[Redevelopment Bonds], which will be paid from and secured by an assignment by the City of the Pledged Annual Service Charges.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

ARTICLE I – GENERAL PROVISIONS

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, the Redevelopment Law, the RAB Law, Executive Order of the Mayor 02-003, Disclosure of Lobbyist Status, Ordinance 02-075, and Ordinance _____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, dated July 9, 2015, attached hereto as Exhibit 3, in granting this tax exemption. It is expressly understood and agreed that the Entity expressly relies upon this tax exemption, and the JCRA's issuance of Redevelopment Bonds, in undertaking the Phase IA Project.

Section 1.2 General Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, the following terms shall have the following meanings:

i. Affordability Controls. Means affordability controls and restrictions on rent such that eighty five (85) rental apartments consisting of sixteen (16) junior one bedroom units; forty-six (46) one bedroom units; and twenty three (23) two bedroom units are all reserved for persons of moderate income (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) to be administered by the City or its delegated agent under HUD guidelines.

ii. Allowable Net Profit. The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to N.J.S.A. 40A:20-3(c).

iii. Allowable Profit Rate. The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County, New Jersey [County]. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

iv. Annual Gross Revenue. Any and all revenue derived from or generated by the Phase IA Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, or as user fees or for any other services. No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party.

v. Annual Service Charge. The amount the Entity has agreed to pay the City each year for municipal services supplied to the Phase IA Project, which sum is in lieu of any taxes on the Improvements pursuant to N.J.S.A. 40A:20-12. The Annual Service Charge shall consist of the Base Annual Service Charge, the County Annual Service Charge and the Pledged Annual Service Charge, as more fully set forth herein and on Schedule 1. The Annual Service Charge shall also include excess net profits payable pursuant to N.J.S.A. 40A:20-15, if any.

vi. Auditor's Report. A complete annual financial statement outlining the financial status of the Phase IA Project, which shall also include a certification of Total Project Cost and clear computation of the annual Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

vii. Base Annual Service Charge. That portion of the Annual Service Charge to be paid by the Entity to the City pursuant to Section 4.1(i) hereof. The Base Annual Service Charge shall not be pledged to pay Redevelopment Bonds.

viii. Certificate of Occupancy. A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

ix. County Annual Service Charge. That portion of the Annual Service Charge to be paid by the Entity to the City pursuant to Section 4.1(ii) hereof. The County Annual Service Charge shall not be pledged to pay Redevelopment Bonds.

x. Debt Service. The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage, mezzanine, preferred debt and/or equity, or other financing including returns on institutional equity financing and market rate related party debt, including financing provided through the EB-5 Immigrant Investor Program, for the Phase IA Project for a period equal to including the Redevelopment Area Bonds, for all periods during the term of this Agreement.

xi. Default. Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

xii. Entity. The term Entity within this Agreement shall mean GC FS Jersey City Pep 1 Urban Renewal LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Phase IA Project, provided they are formed and operate under the Law.

xiii. Improvements or Phase I Project. Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

xiv. In Rem Tax Foreclosure or Tax Foreclosure. A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

xv. Land Taxes. The amount of taxes assessed on the value of land, on which the Phase IA Project is located, which for the current fiscal year are approximately \$36,434, prorated based on the subdivision and the apportioned share of common elements between Master Condominium Unit 1 and Master Condominium Unit 2. Land is not exempt; however, Land Taxes shall be apportioned to the Phase IA Project according to the Entity's ownership of common elements as more fully described in the Master Deed, which equals approximately 46.35% of the common elements, and applied as a credit against the Base Annual Service Charge in accordance with the Long Term Tax Exemption Law, to the extent provided in Section 4.1(v) hereof. The land tax credit shall be applied twelve (12) months following Substantial Completion. Under no circumstances should Land Taxes paid by or apportioned to the Phase IB Project be applied as a credit to the Base Annual Service Charge for the Phase 1A Project.

xvi. Land Tax Payments. Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes (pro rated for Master Condominium Unit 1 only) as determined by the Tax Assessor and the Tax Collector.

xvii. Law. Law shall refer to the Long Term Tax Exemption Law; the Redevelopment Law; the RAB Law; Executive Order of the Mayor 02-003, relating to long term tax exemption, as it may be supplemented; Ordinance 02-075 requiring Disclosure of Lobbyist Status and Ordinance _____, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

xviii. Minimum Annual Service Charge. The Minimum Annual Service Charge shall be the amount in each year the greater of: (a) the amount of the total taxes (land and pre-existing improvements) levied against all real property, prorated for Master Unit 1 based on the subdivision and the apportioned share of the common elements for Master Unit 1, in the area covered by the Phase IA Project in the last full tax year in which the area was subject to taxation, which amount the parties agree is \$64,594; or (b) the Base Annual Service Charge equal to seven percent (7%) of Annual Gross Revenue of the Phase 1A Project for the first twenty (20) years of the term, which sum is estimated to be \$912,780 and which shall be due 12 months following

Substantial Completion of the Project.

Following Substantial Completion, the Minimum Annual Service Charge set forth in subsection (b) shall be paid in each year in which the Base Annual Service Charge, calculated pursuant to N.J.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge..

xix. Net Profit. The Annual Gross Revenues of the Entity less all annual operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all annual service charges paid pursuant to this Agreement; (b) all annual payments to the City of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all Debt Service; and

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of Debt Service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

xx. Pronouns. He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

xxi. Pledged Annual Service Charge. That portion of the Annual Service Charge to be paid by the Entity pursuant to Section 4.1(iii) hereof. The Pledged Annual Service Charge shall be pledged to pay Redevelopment Bonds.

xxii. Substantial Completion. The determination by the City that the Phase IA Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the first date on which the Phase IA Project receives, or is eligible to receive (as determined by the Construction Code official), any Certificate of Occupancy whether temporary or permanent for any portion of the Phase IA Project, whether or not occupied or leased.

xxiii. Termination. Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

xxiv. Total Project Costs. The total cost of constructing the Phase IA Project through the date a Certificate(s) of Occupancy is issued for the entire Phase IA Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title, if applicable.

xxv. Trust Indenture. That certain Indenture of Trust, Bond Agreement, or other similar form of agreement, if any, as it may be amended and supplemented, to be entered into by and between the JCRA and the trustee with respect to the Redevelopment Bonds. As used herein, the term "trustee" shall mean the bond trustee or other person acting in a similar capacity.

ARTICLE II - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for the Phase IA Project, Master Condominium Unit 1, constituting the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on the Property.

Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Improvements to be Constructed

Entity represents that it will construct the Phase IA Project; all of which is specifically described in the Application attached hereto as Exhibit 3.

Section 2.3.1 Affordability Controls

The Project shall include twenty percent (20%) of the units or eighty-five (85) units as moderate income affordable housing, for the Affordable Housing Term as herein defined, as a Material Condition of this Agreement. The Entity has agreed to record a deed or other agreement restricting twenty percent (20%) or eighty-five (85) units as moderate income affordable housing, in accordance with the Affordability Controls, and provide proof of same to the City within ninety days (90) of adoption of Ordinance ____ authorizing this Financial Agreement.

As a Material Condition of this Financial Agreement, the Entity agrees to conform to the standards for restrictions on rent and tenant eligibility requirements pertaining to the moderate income affordable housing units, as described in Affordability Controls. The Entity agrees as a Material Condition of this Financial Agreement to cooperate with the administrative agent the City will assign to administer and enforce this Section, in a manner consistent with HUD requirements.

Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Phase IA Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5.

Section 2.5 Ownership, Management and Control

The Entity represents that promptly following the recordation of the Master Deed it will be the owner of Master Condominium Unit 1. Upon construction, the Entity represents that the Improvements will be used, managed and controlled for the purposes set forth in this Agreement.

Section 2.6 Financial Plan

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth a good faith estimate of Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.7 Good Faith Estimate of Initial Rents/Master Deed

The Entity represents that its good faith projections of the initial rents and lease terms for the Phase IA Project are set forth in Exhibit 7. The Entity agrees that the Master Deed shall not be amended in any manner that will reduce the economic benefits to the City, including but not limited to a reduction in the Base Annual Service Charge or the Pledged Annual Service Charge to the City.

ARTICLE III - DURATION OF AGREEMENT

Section 3.1 Term

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that the tax exemption and this Agreement shall remain in effect for the earlier of 30 years from the date of adoption of Ordinance _____ on _____, 2015, which approved the tax exemption, or 25 years from the date of Substantial Completion of the Phase IA Project. The tax exemption shall only be effective during the period of usefulness of the Phase IA Project and shall continue in force only while the Phase IA Project is owned by an entity formed and operating under the Law.

The Redevelopment Area Bonds will be scheduled to mature twenty-five (25) years after the date of issuance, pursuant to approval by the Local Finance Board and all other applicable agreements entered into by the parties.

ARTICLE IV - ANNUAL SERVICE CHARGES

Section 4.1 Annual Service Charges

In consideration of the tax exemption, the Entity shall make the following annual payments for the services provided to the Phase I Project:

i. Base Annual Service Charge: The Entity shall pay to the City the Base Annual Service Charge in an amount equal to 7% of the Annual Gross Revenue. Beginning on the first day of Year 21 until the last day of Year 25, the Entity shall pay the greater of the Base Annual Service Charge or ninety-five percent (95%) of conventional taxes otherwise due. The Base Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue, attached hereto as Exhibit 6. Thereafter, the Base Annual Service Charge shall be adjusted in accordance with this Agreement.

ii. County Annual Service Charge: The Entity shall pay to the City the County Annual Service Charge, which amount shall be the sum of: (a) five percent (5%) of the sum of the Base Annual Service Charge, each as adjusted pursuant to the terms hereof.

iii. Pledged Annual Service Charge: For so long as Redevelopment Bonds are outstanding and secured by the Pledged Annual Service Charge, the Entity shall pay to the City the Pledged Annual Service Charge in the amounts set forth in Schedule 1 attached hereto. The Pledged Annual Service Charge shall be adjusted, at the direction of the Entity, to reflect any redemption, refunding, prepayment or other change in the debt service requirements with respect to the Redevelopment Bonds. The Pledged Annual Service Charge shall terminate at such time as Redevelopment Bonds are no longer outstanding or no longer secured by the Pledged Annual Service Charge.

As security for the Redevelopment Bonds, the City and the Entity agree to and hereby assign all of their interest in each Pledged Annual Service Charge to the trustee under the Trust Indenture to pay, and secure the payment of, Redevelopment Bonds. The City's pledge of the Pledged Annual Service Charge shall be absolute. The Pledged Annual Service Charge shall not be included in the general funds of the City. The City's obligation to pay the Pledged Annual Service Charge to the trustee shall be a limited obligation of the City, payable by it only to the extent of payments of Pledged Annual Service Charges received from the Entity, and shall not constitute a general obligation of the City. The City and the Entity shall each take such further actions as may be reasonably requested to effectuate the issuance of the Redevelopment Bonds and the transactions contemplated thereby.

iv. The Minimum Annual Service Charge shall be due beginning on the effective date of this Agreement. Beginning on the first day of the month after Substantial

Completion, the Minimum Annual Service Charge set forth in Section 1.2(xvii)(b) shall be due in any year where it exceeds the Base Annual Service Charge. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Base Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Section 4.2 Staged Adjustments

Pursuant to the RAB Law (N.J.S.A. 40A:12A-66), service charges payable hereunder shall not be adjusted in stages over the term of the tax exemption period in accordance with the Long Term Tax Exemption Law, N.J.S.A. 40A:20-12. This exemption to the requirement for staged adjustments shall not affect the calculation of the Base Annual Service Charge as defined in Section 4.1(i).

Section 4.3 Land Tax

The Entity is required to pay both the Base Annual Service Charge and the pro-rated Land Taxes for Master Unit 1 beginning on the Effective Date of this Agreement, and beginning upon Substantial Completion. The Entity is obligated to make timely Land Tax Payments in order to be entitled to a Land Tax credit against the Base Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Base Annual Service Charge. The initial Land Tax Credit shall be given no earlier than twelve months following Substantial Completion. The Entity shall not be entitled to a refund if the Land Tax credit exceeds the Base Annual Service Charge in any year and shall forfeit that sum. Land Tax Payments shall not be credited against the Pledged Annual Service Charge. In any quarter that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credit against the Base Annual Service Charge until the Land Taxes are paid in full. No credit will be applied against the Base Annual Service Charge for a partial payment of Land Taxes until they are paid in full. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

Section 4.4 Quarterly Installments/Interest

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within ninety (90) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge or any other charge due under this Agreement, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid in full.

Section 4.5 Administrative Fee

The Entity shall also pay an annual administrative fee [Administrative Fee] to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two percent (2%) of each prior year's Annual Service. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge.

Section 4.6 Affordable Housing Contribution

No contribution to the City's Affordable Housing Trust Fund shall be required of the Entity pursuant to Ordinance _____ awarding this tax exemption, as long as the Entity shall, by a recorded deed or agreement, restrict (thereby set aside) twenty percent (20%) of the project for moderate income affordable housing for the Affordable Housing Term. In the event that the Entity should voluntarily terminate its tax exemption or take action to cause the restriction to expire, prior to the expiration of the Affordable Housing Term, the Entity shall make the Affordable Housing Trust Fund contribution to the City in the amount of \$650,153, as shall be adjusted for inflation, within thirty days of the termination or expiration.

Section 4.7 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charge, Base Annual Service Charge, Pledged Annual Service Charge, including adjustments thereto, Administrative Fees, Affordability Controls, Affordable Housing Contributions or status of recorded restrictions exempting the Entity therefrom, and any interest thereon, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

Section 5.1 Project Employment and Contracting Agreement

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment and Contracting Agreement, attached hereto as Exhibit 8.

Section 5.2 Project Labor Agreement

The Entity shall execute a Project Labor Agreement as required by Ordinance 07-123 as it exists or as it may be amended from time to time. A copy of the fully executed Project Labor Agreement shall be provided to the City and attached hereto as Exhibit 11 within 14 days of the Entity's receipt thereof.

Section 5.3 Living Wage Mandate (Projects with construction costs exceeding \$25 million)

The Entity also agrees to comply with the requirements of Section 3-76 of the Jersey City Municipal Code concerning required wage, benefit and leave standards for building service workers. All janitors and unarmed security guards employed at the Projects, including by any

and all tenants or subtenants of the developer, shall not be paid less than the standard hourly rate of pay and benefits for their respective classifications and shall be provided with paid leave in accordance with the provisions of the Jersey City Municipal Code Section 3-51G(1).

ARTICLE VI - CERTIFICATE OF OCCUPANCY

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction substantially in accordance with the proposed construction schedule attached hereto as Exhibit 5.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

ARTICLE VII - ANNUAL REPORTS

Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

Section 7.2 Periodic Reports

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to gross revenue, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Phase IA Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year, plus excess net profit, if any, in accordance with Article VII hereof. Excess Net Profit shall be paid to the City for each year an excess net profit is generated.

B. Total Project Cost Audit: Within ninety (90) days after Substantial Completion of the Phase I Project, the Entity shall submit to the Mayor, Municipal Council, the Tax Collector and

the City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, including but not limited to an audit of actual construction costs as certified by the Phase IA Project architect.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Phase IA Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time. Unless the owner is a publicly traded corporation, all disclosures shall include the ownership interests down to the individual persons owning any corporate interest in the Entity.

Section 7.3 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Phase IA Project and, if deemed appropriate or necessary, any other related entity by representatives duly authorized by the City or the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, an annual examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity for any year during which the tax exemption financial agreement was in full force and effect.

Section 7.4 Payment of City's Audit Costs

All costs incurred by the City to conduct a review of the Entity's audits, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15, to be calculated annually.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five percent (5%) of the Annual Gross Revenue of the Entity for the last full fiscal year and may retain such part of the Excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five percent (5%) of the preceding year's Annual Gross Revenue.

Section 8.2 Annual Payment of Excess Net Profit

In the event the Net Profits of the Entity, in any year, exceeds the Allowable Net Profits for such year, then the Entity, within one hundred and twenty (120) days after the end of the year, shall pay such excess Net Profits to the City as an additional annual service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the Entity's Excess Net Profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2(xxiv) of this Agreement even though those costs may have been deducted from the project costs for purposes of calculating the Annual Service Charge.

Section 8.3 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale

The date of termination or expiration of this Agreement or the sale of the Phase I Project shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the balance of the Excess Net Profit, if any.

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Approval of Sale

Any sale or transfer of the Phase IA Project shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Phase IA Project and the transfer of this Agreement provided 1) the new entity does not own any other project subject to long term tax exemption at the time of transfer; 2) the new entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement are fully assumed by the new entity; 5) the Entity pays in full the maximum transfer fee, 2% of the Annual Service Charge, as permitted by N.J.S.A. 40A:20-10(d).

Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself provided that the transfer, if greater than 10%, is disclosed to the City in the annual disclosure statement or in correspondence sent to the City in advance of the filing of the annual disclosure statement.

Section 9.2 Transfer Application Fee

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Phase IA Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Phase IA Project shall be maintained and operated in accordance with the provisions of the Law. Operation of the Phase IA Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

Section 10.2 Disclosure of Lobbyist Representative

During the term of this Agreement, the Entity must comply with Executive Order 2002-005, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

ARTICLE XI - DEFAULT

Section 11.1 Default

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

Section 11.2 Cure Upon Default

Should the Entity be in Default, the City shall send written notice to the Entity of the Default [Default Notice]. The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such sixty (60) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. In order to secure the full and timely payment of the Annual Service Charge, the City on its own behalf, or on behalf of the JCRA and/or the Trustee, reserves the right to prosecute an In Rem Tax Foreclosure action

against the land and improvements in accordance with Applicable Law, as more fully set forth in this Financial Agreement.

In addition, the City may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, maintain Affordability Controls, or the status of the restriction on the moderate income affordable housing units which qualifies the Entity for an exemption therefrom, the Annual Service Charges, shall not be subject to the default procedural remedies as provided in Article XI herein, but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution maintain Affordability Controls, or the status of the restriction on the moderate income affordable housing units which qualifies the Entity for an exemption therefrom or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, maintain Affordability Controls, or the status of the restriction on the moderate income affordable housing units which qualifies the Entity for an exemption therefrom, Administrative Fees, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Tax Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

ARTICLE XII- TERMINATION

Section 12.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

Section 12.2 Voluntary Termination by the Entity

Except for so long as Redevelopment Bonds are outstanding and secured by the Pledged Annual Service Charge (during which period the Entity shall not relinquish its status as a tax exempt project), the Entity may notify the City that it will relinquish its status as a tax exempt

project, after the expiration of one year from the Substantial Completion of the Phase IA Project, as of the January 1 of the year next ensuing. The Entity's failure to maintain Affordability Controls in Section 2.3.1 for the Affordable Housing Term will be treated as an event of Voluntary Termination and the Entity shall pay the City the Affordable Housing Contribution, to be collected in accordance with Section 11.3 of this Agreement. The Notice of Voluntary Termination must be received by the City no later than October 1st of the tax year preceding the calendar year in which the termination is to occur. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate. However, under no circumstances will the Entity be entitled to any refund, in whole or in part, of any funds paid to the City to obtain the tax exemption, including but not limited to the Affordable Housing Contribution, should same be required.

Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any remaining excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 12.4 Conventional Taxes

Upon Termination or expiration of this Agreement, the tax exemption for the Phase IA Project shall expire and the land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

ARTICLE XIII - DISPUTE RESOLUTION

Section 13.1 Arbitration

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The Entity shall pay the City's cost for the arbitration if the City is the prevailing party. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Section 4.7 as Material Conditions.

Section 13.2 Appeal of Assessment

In calculating the amount of taxes otherwise due for any purpose, the Entity may file an appeal of the conventional assessment with the Hudson County Tax Board or the Superior Court of New Jersey, Tax Court to determine the value of land and Improvements.

ARTICLE XIV - WAIVER

Section 14.1 Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit the City's right to audit or recover any amount which the City has under law, in equity, or under any provision of this Agreement.

ARTICLE XV – INDEMNIFICATION

Section 15.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action by a third party alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs, through trial and all stages of any appeal, including the cost of enforcing this indemnity) arising out of this Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

ARTICLE XVI- NOTICE

Section 16.1 Certified Mail

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

Section 16.2 Sent by City

When sent by the City to the Entity the notice shall be addressed to:

GS FC Jersey City Pep I Urban Renewal, LLC
c/o Forest City Residential Group, LLC
Terminal Tower
50 Public Square, Suite 1300
Cleveland, OH 44113-2267
Attn: General Counsel

And

Connell Foley LLP
Harborside Financial Center
2510 Plaza Five
Jersey City, NJ 07311
Attn: W. Nevins McCann, Esq.

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

Section 16.3 Sent by Entity

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Phase I Project to which it relates (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

ARTICLE XVII-SEVERABILITY

Section 17.1 Severability

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the

parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Section 18.2 Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

Section 18.3 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

Section 18.4 Entire Document

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 18.5 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the City.

ARTICLE XIX – SCHEDULES AND EXHIBITS

Section 19.1 Schedules

The following Schedules are attached hereto and incorporated herein as if set forth at length herein:

1. Base Annual Service Charge and Pledged Annual Service Charge.

Section 19.2 Exhibits

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Contribution Agreement between GS FC Jersey City Pep 1 LLC and GS FC Jersey City Pep 1 Urban Renewal LLC
2. Metes and Bounds description of the Project;
3. Ordinance of the City authorizing the execution of this Agreement;
4. The Application with Exhibits;
5. Certificate of the Entity;
6. Estimated Construction Schedule;
7. The Financial Plan for the undertaking of the Phase IA Project;
8. Good Faith Estimate of Initial Rental Schedule and Lease Terms;
9. Project Employment and Contracting Agreements and Project Labor Agreement;
10. Architect's Certification of Actual Construction Costs;
11. Entity's Deed to be provided upon recordation;
12. Executed Project Labor Agreement.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

WITNESS:

**GS FC JERSEY CITY PEP 1 URBAN RENEWAL
LLC**

By: GS FC Jersey City Pep 1, LLC, its Managing Member
By: _____, its Manager

ATTEST:

CITY OF JERSEY CITY

Robert Byrne, RMC, City Clerk

Robert J. Kakoleski, CMFO, Business
Administrator

SOURCES AND USES OF FUNDS

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Dated Date 09/15/2015
Delivery Date 09/15/2015

Sources:

Bond Proceeds:	
Par Amount	9,999,774.00
	<hr/>
	9,999,774.00

Uses:

Project Fund Deposits:	
Project Fund	9,799,775.13
	<hr/>
Delivery Date Expenses:	
Cost of Issuance	150,000.00
Underwriter's Discount	49,998.87
	<hr/>
	199,998.87
	<hr/>
	9,999,774.00

BOND SUMMARY STATISTICS

City of Jersey City Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Dated Date	09/15/2015
Delivery Date	09/15/2015
Last Maturity	09/15/2040
Arbitrage Yield	7.000024%
True Interest Cost (TIC)	7.047583%
All-In TIC	7.192263%
Average Life (years)	16.862
Duration of Issue (years)	10.901
Par Amount	9,999,774.00
Bond Proceeds	9,999,774.00
Total Interest	11,938,150.00
Net Interest	11,988,148.87
Total Debt Service	23,413,150.00
Maximum Annual Debt Service	1,020,700.00
Average Annual Debt Service	936,526.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
2040 Term Bond	9,999,774.00	100.000		16.862	13,311.00
	9,999,774.00			16.862	13,311.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	9,999,774.00	9,999,774.00	9,999,774.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-49,998.87	-49,998.87	
- Cost of Issuance Expense		-150,000.00	
- Other Amounts			
Target Value	9,949,775.13	9,799,775.13	9,999,774.00
Target Date	09/15/2015	09/15/2015	09/15/2015
Yield	7.047583%	7.192263%	7.000024%

BOND PRICING

City of Jersey City Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Principal per \$5,000 at Maturity	CAB Value at Maturity
2040 Term Bond:	09/15/2040	9,999,774	7.000%	7.000%	100.000	4,357.20	11,475,000
		9,999,774					11,475,000

Dated Date	09/15/2015	
Delivery Date	09/15/2015	
First Coupon	03/15/2018	
Par Amount	9,999,774.00	
Original Issue Discount		
Production	9,999,774.00	100.000000%
Underwriter's Discount	-49,998.87	-0.500000%
Purchase Price	9,949,775.13	99.500000%
Accrued Interest		
Net Proceeds	9,949,775.13	

BOND DEBT SERVICE

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service	Annual Debt Service
03/15/2018			401,625		401,625	
09/15/2018	187,359.60	7.000%	401,625	27,640.40	616,625	
12/31/2018						1,018,250
03/15/2019			394,100		394,100	
09/15/2019	200,431.20	7.000%	394,100	29,568.80	624,100	
12/31/2019						1,018,200
03/15/2020			386,050		386,050	
09/15/2020	213,502.80	7.000%	386,050	31,497.20	631,050	
12/31/2020						1,017,100
03/15/2021			377,475		377,475	
09/15/2021	230,931.60	7.000%	377,475	34,068.40	642,475	
12/31/2021						1,019,950
03/15/2022			368,200		368,200	
09/15/2022	244,003.20	7.000%	368,200	35,996.80	648,200	
12/31/2022						1,016,400
03/15/2023			358,400		358,400	
09/15/2023	261,432.00	7.000%	358,400	38,568.00	658,400	
12/31/2023						1,016,800
03/15/2024			347,900		347,900	
09/15/2024	278,860.80	7.000%	347,900	41,139.20	667,900	
12/31/2024						1,015,800
03/15/2025			336,700		336,700	
09/15/2025	300,646.80	7.000%	336,700	44,353.20	681,700	
12/31/2025						1,018,400
03/15/2026			324,625		324,625	
09/15/2026	322,432.80	7.000%	324,625	47,567.20	694,625	
12/31/2026						1,019,250
03/15/2027			311,675		311,675	
09/15/2027	344,218.80	7.000%	311,675	50,781.20	706,675	
12/31/2027						1,018,350
03/15/2028			297,850		297,850	
09/15/2028	370,362.00	7.000%	297,850	54,638.00	722,850	
12/31/2028						1,020,700
03/15/2029			282,975		282,975	
09/15/2029	392,148.00	7.000%	282,975	57,852.00	732,975	
12/31/2029						1,015,950
03/15/2030			267,225		267,225	
09/15/2030	422,648.40	7.000%	267,225	62,351.60	752,225	
12/31/2030						1,019,450
03/15/2031			250,250		250,250	
09/15/2031	453,148.80	7.000%	250,250	66,851.20	770,250	
12/31/2031						1,020,500
03/15/2032			232,050		232,050	
09/15/2032	483,649.20	7.000%	232,050	71,350.80	787,050	
12/31/2032						1,019,100
03/15/2033			212,625		212,625	
09/15/2033	514,149.60	7.000%	212,625	75,850.40	802,625	
12/31/2033						1,015,250
03/15/2034			191,975		191,975	
09/15/2034	553,364.40	7.000%	191,975	81,635.60	826,975	
12/31/2034						1,018,950
03/15/2035			169,750		169,750	
09/15/2035	592,579.20	7.000%	169,750	87,420.80	849,750	
12/31/2035						1,019,500

BOND DEBT SERVICE

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service	Annual Debt Service
03/15/2036			145,950		145,950	
09/15/2036	631,794.00	7.000%	145,950	93,206.00	870,950	
12/31/2036						1,016,900
03/15/2037			120,575		120,575	
09/15/2037	675,366.00	7.000%	120,575	99,634.00	895,575	
12/31/2037						1,016,150
03/15/2038			93,450		93,450	
09/15/2038	723,295.20	7.000%	93,450	106,704.80	923,450	
12/31/2038						1,016,900
03/15/2039			64,400		64,400	
09/15/2039	775,581.60	7.000%	64,400	114,418.40	954,400	
12/31/2039						1,018,800
03/15/2040			33,250		33,250	
09/15/2040	827,868.00	7.000%	33,250	122,132.00	983,250	
12/31/2040						1,016,500
	9,999,774.00		11,938,150	1,475,226.00	23,413,150	23,413,150

PLEDGE AND ASSIGNMENT AGREEMENT

THIS PLEDGE AND ASSIGNMENT AGREEMENT dated as of _____, 2015 (the "Assignment"), is entered into by and among the **CITY OF JERSEY CITY** (the "Assignor" or the "City"), a municipal corporation in the County of Hudson, State of New Jersey, having an address at 280 Grove Street, Jersey City, New Jersey 07302, the **JERSEY CITY REDEVELOPMENT AGENCY** ("Assignee" or the "Agency"), a body corporate and politic constituting an instrumentality of the City of Jersey City, having an address at 30 Montgomery Street, Jersey City, New Jersey 07302 and **[NAME OF BANKING INSTITUTION]**, as Trustee (the "Trustee"), a [national/state] banking association, having a corporate trust office and place of business in _____, New Jersey.

WITNESSETH:

WHEREAS, the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.) as amended and supplemented (the "Redevelopment Law") promotes the social and economic improvement of the State of New Jersey (the "State") and its several municipalities, in part, by providing a process for the redevelopment, rehabilitation and improvement of commercial and industrial facilities; and

WHEREAS, the Agency was established as an instrumentality of the City of Jersey City (the "City") pursuant to the provisions of the Redevelopment Law with responsibility for implementing redevelopment plans and carrying out redevelopment projects in the City; and

WHEREAS, the Agency, to accomplish the purposes of the Redevelopment Law, is empowered to extend credit to such employment promoting enterprises in the name of the Agency, on such terms and conditions and such manner as it may deem proper for such consideration and upon such terms and conditions as the Agency may determine to be reasonable; and

WHEREAS, the City, in accordance with the criteria set forth in the Redevelopment Law, by resolution, established a portion of an area constituting Block 11603, Lot 3 as an area in need of rehabilitation (the "Rehabilitation Area" or the "Project Premises") and adopted and subsequently amended a redevelopment plan for the area entitled the Harsimus Cove Station Redevelopment Plan as may be amended and supplemented from time to time (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Area is governed by the Redevelopment Plan, a copy of which has been filed in the Office of the Clerk of the City, located at City Hall, 280 Grove Street, Jersey City, New Jersey; and

WHEREAS, the Redevelopment Law authorizes the Agency to arrange or contract with a redeveloper for the planning, construction or undertaking of any project or redevelopment work in an area designated as an area in need of redevelopment; and

WHEREAS, GS FC Jersey City I, LLC and GS FC Jersey City PEP 1 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City I, LLC and GS FC Jersey City II, LLC and GS FC Jersey City PEP 2 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City II, LLC (collectively, the "Redeveloper"), as the fee title owner of the Project Premises, made application to the Agency to be designated as the redeveloper to redevelop the Project Premises; and

WHEREAS, that certain Redevelopment Agreement between the Agency and A-S-H Management Corporation dated April 12, 1985 as amended by that certain Amendment to Redevelopment Agreement between the JCRA and National Bulk Carriers, Inc. ("National Bulk") dated January 7, 1986, Amendment to Redevelopment Agreement between the JCRA and National Bulk dated April 30, 1991, Third Amendment to Redevelopment Agreement between the JCRA and National Bulk dated August 11, 1993, Fourth Amendment to the Contract for Sale of Private Land among National Bulk, G&S and JCRA dated January 28, 1997, Fifth Amendment to the Contract for Sale of Private Land among National Bulk, G&S and JCRA dated June 10, 1997, Sixth Amendment to the Contract for Sale of Private Land between American Financial Exchange L.L.C. and JCRA dated December 19, 2001, Seventh Amendment to the Contract for Sale and Redevelopment of Private Property in the Hudson Exchange Redevelopment Area among National Bulk, G&S and the JCRA (undated) and Assignment and Assumption Agreement between the Entity and the JCRA dated _____, 2015 (collectively, the "Redevelopment Agreement"), wherein the Entity assumed the obligation to redevelop the Redevelopment Project (as defined herein) pursuant to the Redevelopment Law, was entered into between the Agency and the Redeveloper for the redevelopment of the Project Premises; and

WHEREAS, the Redeveloper has recorded a Master Deed, (as the same may be amended and supplemented, the "Master Deed") to submit all of the Project Premises to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, GS FC Jersey City PEP 1 Urban Renewal LLC ("FC I"), wholly-owned by the Redeveloper, will construct phase 1 of the redevelopment project as condominium unit 1 under the Master Deed, which is expected to consist of a new mixed-income thirty five (35) story building containing approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be affordable housing units as hereinafter defined, approximately 12,435 square feet of ground-level retail space and a parking garage for approximately two hundred sixty four (264) parking spaces all located at the northeast corner of the Redevelopment Area ("Phase I Project"); and

WHEREAS, GS FC Jersey City PEP 2 Urban Renewal LLC ("FC II"), wholly-owned by the Redeveloper, will construct phase 2 of the redevelopment project as condominium unit 2 under the Master Deed, which is expected to consist of a new mixed-income thirty six (36) story building containing approximately four hundred thirty two (432) residential units, twenty percent (20%) or eighty-seven (87) of which will be affordable housing units as hereinafter defined, approximately 10,311 square feet of ground-level retail space and a parking garage for

approximately two hundred one (201) parking spaces located adjacent to the Phase I Project ("Phase II Project") and, together with the Phase I Project, the "Redevelopment Project"; and

WHEREAS, in order to enhance the viability of the Redevelopment Project, the City has granted a long-term tax exemption pursuant to N.J.S.A. 40A:20-1 et seq., as amended (the "Tax Exemption Law"), and has entered into separate Financial Agreements with each of FC I and FC II, each dated [_____, 2015] (individually, a "Financial Agreement" and collectively, the "Financial Agreements"), governing payments made to the City in lieu of real estate taxes on each condominium unit in the Redevelopment Project; and

WHEREAS, each of the Financial Agreements provides for the payment by FC I and FC II, as applicable, of, among other things, a Base Annual Service Charge (as defined in each Financial Agreement, the "Base Annual Service Charge") and a Pledged Annual Service Charge (as defined in each Financial Agreement, and as the same may be amended, revised or recalculated from time-to-time pursuant to the terms thereof, the "Pledged Annual Service Charge"); and

WHEREAS, the Redevelopment Project requires certain on-site and off-site public improvements and infrastructure, including a pedestrian mall, certain of which will be undertaken by FC I in connection with the Phase I Project, but which benefit the entire Redevelopment Project, including, if and when completed, the Phase II Project; and

WHEREAS, pursuant to the Redevelopment Law, the Redevelopment Project is a redevelopment project in a redevelopment area, within the meaning of such law, and the Agency has agreed in the Redevelopment Agreement to issue the Bonds pursuant to the Redevelopment Area Bond Financing Law, as amended and supplemented, N.J.S.A. 40A:12A-64 et seq. (the "RAB Law"), to finance a portion of the costs of the Redevelopment Project; and

WHEREAS, pursuant to the Redevelopment Law, including the RAB Law, the Agency has determined to issue its Redevelopment Area Taxable Bonds (Forest City Project) (the "Bonds"), in the aggregate principal amount of not to exceed \$20,000,000, which may be issued in one or more series, to: (i) fund certain of the costs of the Redevelopment Project; and (ii) pay certain costs incidental to the issuance and sale of the Bonds, together with other costs permitted by the Redevelopment Law (collectively, the "Project"); and

WHEREAS, following the issuance of the Bonds, the proceeds will be deposited under this Indenture and applied in accordance with a Funding Agreement, by and among the Agency, FC I and FC II, respectively, and the Trustee (each a "Funding Agreement"), to fund a grant by the City to FC I, [for the benefit of it,] and FC II, to pay costs of the Project; and

WHEREAS, each Financial Agreement provides at Section 4.1.iii., that: (i) as security for the Bonds, the City and FC I and FC II, as applicable, agree to and thereby assign all of their interest in each Pledged Annual Service Charge to the Trustee to pay, and secure the payment of, the Bonds; (ii) the City's pledge of the Pledged Annual Service Charge shall be absolute; (iii) the Pledged Annual Service Charge shall not be included in the general funds of the City; and (iv) the City's obligation to pay the Pledged Annual Service Charge to the Trustee shall be a limited obligation of the City, payable by it only to the extent of payments of Pledged Annual Service

Charges received from FC I and FC II, as applicable, and shall not constitute a general obligation of the City; and

WHEREAS, the Agency, the City and the Trustee entered into a Pledge and Assignment Agreement, dated the date hereof, to further memorialize the pledge and assignment of the Pledged Annual Service Charges to the Trustee as security for the Bonds (the "Pledge Agreement"); and

WHEREAS, certain obligations in connection with the Financial Agreements may be secured by a guaranty (the "Guaranty Agreement") made by the Redeveloper or an affiliate thereof in favor of the Agency; and

WHEREAS, the Agency, the City and the Trustee are entering into this Pledge and Assignment Agreement to further memorialize the pledge and assignment of the Pledged Annual Service Charges to the Trustee as security for the Bonds; and

WHEREAS, certain obligations in connection with the Financial Agreements may be secured by a guaranty (the "Guaranty Agreement") made by the Redeveloper or an affiliate thereof in favor of the Agency; and

WHEREAS, the execution and delivery of this Assignment have been duly authorized by the parties hereto and all conditions, acts and things necessary and required by the Constitution or statutes of the State of New Jersey or otherwise to exist, to have happened, or to have been performed precedent to or in the execution and delivery of this Assignment do exist, have happened and have been performed.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignor, the Assignor covenants and agrees with the Assignee as follows:

1. The Assignor hereby absolutely and presently grants, conveys, transfers and assigns unto the Assignee all of the right, title and interest of the Assignor (unless otherwise expressly provided herein, or unless the context clearly requires otherwise, capitalized terms used in this Assignment shall have the meanings ascribed thereto in the Financial Agreement):

a. in and to all of the Pledged Annual Service Charges (which assignment herein is intended to further memorialize the assignment by the Assignor to the Trustee in each Financial Agreement; which assignment shall be deemed to be an assignment by the Assignor to the Assignee, and by the Assignee to the Trustee under the Trust Indenture);

b. in and to all rights to collect and enforce the rights to the Pledged Annual Service Charges, including the right to interest, penalties and costs of collection relating thereto; and

c. the Assignor represents and warrants that this Assignment has been duly authorized by all necessary actions on the part of the governing body and upon execution and delivery will constitute a legal, valid and binding obligation of the Assignor, enforceable against

the Assignor in accordance with the terms and the provisions of this Assignment, except as may be limited by bankruptcy laws or other creditors rights in general.

The foregoing are referred to herein as the "Assigned Rights". This Assignment is an unconditional, absolute and present assignment and not a mere assignment in the nature of a pledge or the mere grant of security interest.

2. The Assignor represents, warrants and agrees that:

a. the Assignor is entitled to receive all of the Pledged Annual Service Charges in accordance with the terms of the Financial Agreement;

b. the Assignor has not previously sold, assigned or transferred the Assigned Rights (except as set forth in the Financial Agreements);

c. the Assignor has full power and authority to assign the Assigned Rights to the Assignee and has taken such actions as are necessary in order to effectuate this Assignment;

d. the Assignor shall not sell, assign or transfer the Assigned Rights during the term of the Assignment, except as assigned hereunder;

e. the Assignor will, from time to time, execute upon request of the Assignee or the Trustee, any and all instruments requested by the Assignee or Trustee to carry this instrument into effect or to accomplish any other purposes reasonably deemed by the Assignee or the Trustee to be necessary or appropriate in connection with this Assignment; and

f. in addition to such other rights and remedies the Assignee may elect to pursue at law or in equity, the Assignor will take such action as the Assignee or the Trustee shall reasonably request in order that the Assignee may realize the benefits of this Assignment and receive the Pledged Annual Service Charges; such actions may include, but shall not be limited to, conducting an *In Rem* Foreclosure action in accordance with the provisions of the Tax Sale Law, constituting Chapter 237 of the Pamphlet Laws of 1918 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (the "Tax Sale Law", codified in N.J.S.A. 54:5-1 *et seq.*), provided the Assignor is permitted by law to conduct such *In Rem* Foreclosure action on behalf of the Assignee.

3. It is mutually agreed that as security for the Bonds, and any bonds or notes issued for the purpose of refunding the Bonds, the Assignee is authorized to pledge and assign all of its interest in this Assignment to the Trustee as part of the pledge of the Trust Estate under the Trust Indenture or under any supplemental indenture executed in conjunction with any bonds or notes issued for the purpose of refunding the Bonds.

4. This Assignment shall not operate to restrict or prevent the Assignor or Assignee from pursuing any remedy that it now or hereafter may have because of any present or future breach of the terms or conditions of the Financial Agreement, the Bonds, or the Trust Indenture.

5. The Assignee shall be accountable only for the Pledged Annual Service Charges that the Assignee actually receives under the terms hereof.

6. Failure of the Assignee to do any of the things or exercise any of the rights, interests, powers or authorities hereunder shall not be construed to be a waiver of any of the rights, interests, powers or authorities hereby assigned and granted to the Assignee.

7. The Assignor will not modify, change, alter, supplement, amend, surrender or accept surrender of the Assigned Rights without the Assignee's prior written consent, which consent shall not be unreasonably withheld or delayed. The Assignor shall, however, perform all of its obligations under or pursuant to the Assigned Rights and shall enforce the rights, interest, powers and authorities granted the Assignor pursuant to the Assigned Rights.

8. The Assignor shall promptly notify the Assignee in the event of any default under any Financial Agreement.

9. The Assignor shall cause this Assignment and each Financial Agreement (or evidence of same) to be recorded in such public offices in which such filing and recording may be necessary to constitute record notice of this Assignment and the terms and provisions hereof as applicable to the RAB Law.

10. Upon the redemption or defeasance, as the case may be, of the Bonds and the payment and performance of all other obligations secured hereby, this Assignment shall terminate and upon the request of the Assignor and at its expense, the Assignee shall execute a release hereof.

11. This Assignment inures to the benefit of the named Assignee and its successors and assigns and binds the Assignor and the Assignor's successors, assigns and legal representatives, heirs, legatees and devisees.

12. Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, as follows:

a. When sent to the Assignor, it shall be addressed to the Corporation Counsel, City Hall, 280 Grove Street, Jersey City, New Jersey 07302.

b. When sent to the Agency it shall be addressed to the Jersey City Redevelopment Agency, 30 Montgomery Street, Jersey City, NJ 07302 Attn: Executive Director.

c. The Trustee shall be provided copies of all notices given hereunder, which shall be addressed to [NAME OF BANKING INSTITUTION], _____, _____, New Jersey _____, Attn: _____.

d. The Redeveloper shall be provided copies of all notices given hereunder, which shall be addressed to Terminal Tower, 50 Public Square, Suite 1300, Cleveland, Ohio 4413-226 Attn: c/o Forest City Residential Group, Inc.

13. If any term or provision of this Assignment, or the application thereof to any person or circumstances shall, to any extent be invalid or unenforceable, the remainder of this Assignment, or the application of such term or provision to persons or circumstances other than

those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Assignment shall be valid and be enforced to the fullest extent permitted by law.

14. Neither the Assignor nor its officers, members, employees, agents or directors shall have any personal liability hereunder, the Assignee's recourse to the Assignor being limited to the Assigned Rights.

(Signatures to appear on following page).

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment to be duly executed and delivered as of the date and year first above written.

ATTEST:

CITY OF JERSEY CITY

Robert Byrne, RMC
City Clerk

By: _____
Honorable Steven M. Fulop
Mayor

ACKNOWLEDGED AS OF THE DATE FIRST ABOVE WRITTEN:

JERSEY CITY REDEVELOPMENT AGENCY

By: _____

[NAME OF BANKING INSTITUTION]
as Trustee

By: _____

ACKNOWLEDGEMENT

STATE OF NEW JERSEY :
: SS.
COUNTY OF HUDSON :

On this ___ day of _____, 2015, before me, the subscriber, an officer duly authorized to take acknowledgements for use in the State of New Jersey, personally appeared Steven M. Fulop, Mayor of the City of Jersey City, known to me to be the person whose name is subscribed to the within instrument, having been duly authorized by proper action of the City, and acknowledged to me that he executed the same as the voluntary act of the City.

STATE OF NEW JERSEY :
: SS.
COUNTY OF HUDSON :

On this ___ day of _____, 2015, before me, the subscriber, an officer duly authorized to take acknowledgements for use in the State of New Jersey, personally appeared Robert Byrne, RMC, the Clerk of the City of Jersey City, known to me to be the person whose name is subscribed to the within instrument, having been duly authorized by proper action of the City, and acknowledged to me that he executed the same as the voluntary act of the City.

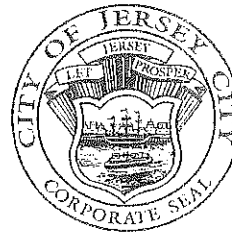
City Clerk File No. Ord. 15.108

Agenda No. 3. B. 1st Reading

Agenda No. _____ 2nd Reading & Final Passage

THIS ORDINANCE SECURES BONDS OR OTHER OBLIGATIONS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THE "REDEVELOPMENT AREA BOND FINANCING LAW" AND THE LIEN HEREOF IN FAVOR OF THE OWNERS OF SUCH BONDS OR OTHER OBLIGATIONS IS A MUNICIPAL LIEN SUPERIOR TO ALL OTHER NON-MUNICIPAL LIENS HEREINAFTER RECORDED

ORDINANCE OF JERSEY CITY, N.J.



COUNCIL AS A WHOLE

offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.108

TITLE:

ORDINANCE APPROVING THE EXECUTION OF A FINANCIAL AGREEMENT WITH GS FC JERSEY CITY PEP 2 URBAN RENEWAL LLC AND OTHER APPLICABLE DOCUMENTS RELATED TO THE AUTHORIZATION AND ISSUANCE BY THE JERSEY CITY REDEVELOPMENT AGENCY OF NOT TO EXCEED \$10,000,000 REDEVELOPMENT AREA BONDS (NON-RECOURSE TO THE FULL FAITH AND CREDIT OF THE CITY) AND DETERMINING VARIOUS OTHER MATTERS IN CONNECTION THEREWITH

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, the Municipal Council of the City of Jersey City, in the County of Hudson, State of New Jersey (the "City"), adopted an ordinance, which designated various properties, including, but not limited to, real property being designated as Block 11603, Lot 3, as shown on the official current tax map of the City, as an area in need of redevelopment (the "Redevelopment Area" and also referred to as the "Project Premises") for purposes of the Local Redevelopment and Housing Law, constituting Chapter 79 of the Laws of New Jersey of 1992 (the "State"), and the acts amendatory thereof and supplemental thereto (the "Redevelopment Law", as codified by N.J.S.A. 40A:12A-1 et seq.); and

WHEREAS, the Municipal Council of the City adopted an ordinance, approving a redevelopment plan for the Redevelopment Area, entitled "Harsimus Cove Station Redevelopment Plan" as the same may be amended and supplemented from time to time (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Area is governed by the Redevelopment Plan; and

WHEREAS, GS FC Jersey City 1, LLC and GS FC Jersey City 2, LLC (collectively, "FCR" or the "Redeveloper") are the fee title owners of the Project Premises; and

WHEREAS, GS FC Jersey City 2, LLC will convey title to GS FC Jersey City 2 Urban Renewal, LLC pursuant to a Contribution Agreement dated June 24, 2015 between GS FC Jersey City Pep 2 LLC as the grantor, and GS FC Jersey City Pep 2 Urban Renewal, LLC, as the grantee; and

WHEREAS, GS FC Jersey City 2, LLC and GS FC Jersey City Pep 2 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City 2, LLC (collectively, "FCR" or the "Redeveloper") have made application to the Jersey City Redevelopment Agency (the "Agency") to be designated to redevelop the hereinafter defined Phase 1B Project; and

WHEREAS, the Agency has reviewed the proposal of the Redeveloper and related submissions and has determined that it is in the Agency's best interests to select the Redeveloper as the designated redeveloper for the Project Premises for purposes of negotiating an agreement for the redevelopment of the designated area; and

WHEREAS, the Redeveloper intends to record a Master Deed, (as the same may be amended and supplemented, the "Master Deed") to submit all of the Project Premises to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal LLC ("FCP"), wholly-owned by the Redeveloper, will construct phase 2 of the redevelopment project as Master Condominium Unit 2 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C002, which is expected to consist of a new mixed-income thirty six (36) story building containing approximately four hundred thirty-two (432) residential units, twenty percent (20%) or eighty-seven (87) of which will be

moderate income affordable housing rental units as hereinafter defined, approximately 10,311 square feet of ground-level retail space and a parking garage with approximately two hundred and one (201) parking spaces all located at the northeast corner of the Redevelopment Area and to be commonly known as 444 Warren Street, Jersey City, New Jersey ("Phase IB Project"); and

WHEREAS, GS FC Jersey City Pep 1 Urban Renewal LLC ("FC I"), wholly-owned by the Redeveloper, will construct phase 1 of the redevelopment project as Master Condominium Unit 1 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C001, which is expected to consist of a new mixed-income thirty five (35) story building containing approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be affordable housing units as hereinafter defined, approximately 12,435 square feet of ground-level retail space and a parking garage for approximately two hundred sixty four (264) parking spaces located adjacent to the Phase IB Project and to be commonly known as 474 Warren Street, Jersey City, New Jersey ("Phase IA Project" and, together with the Phase IB Project, the "Project"); and

WHEREAS, the Entity has agreed to record a deed or other agreement restricting twenty percent (20%) of the units or eighty-seven (87) units as moderate income affordable housing (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) for a period of twenty (20) years from the date of Substantial Completion, to be administered by the City or its delegated agent according to HUD guidelines; and

WHEREAS, as long as the Phase IB Project by a recorded deed or agreement, continues to restrict (thereby setting aside) a minimum of twenty percent (20%) of the project for moderate income affordable housing for a period of twenty (20) years from Substantial Completion, the City will not require the payment of the contribution to the City's Affordable Housing Trust Fund as a condition of receiving this tax exemption, in accordance with the authority conferred by N.J.S.A. 40A:12A-4.2. The adoption of the within Ordinance waiving this requirement shall supersede Section 304-28(B) solely for the purposes of the award of this tax exemption for the Phase IB Project only, as set forth in the Financial Agreement; and

WHEREAS, the Project requires certain on-site and off-site public improvements and infrastructure, including a pedestrian plaza, certain of which will be undertaken by FC II in connection with the Phase IB Project, but which benefit the entire Project, including, if and when completed, the Phase IA Project; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-66, a municipality that has designated a redevelopment area may provide for tax exemption within that redevelopment area and for payments in lieu of taxes in accordance with the provisions of the Long Term Tax Exemption Law of 1992, constituting Chapter 431 of the Pamphlet Laws of 1991 of the State of New Jersey, and the Acts amendatory thereof and supplemental thereto (the "Tax Exemption Law", as codified in N.J.S.A. 40A:12A-1 et seq.) as of the date of the herein Ordinance; provided, however, that the provisions of section 12 of the Tax Exemption Law (N.J.S.A. 40A:20-12) establishing a minimum or maximum annual service charge and requiring staged increases in annual service charges over the term of the exemption period, and of section 13 of the Tax Exemption Law (N.J.S.A. 40A:20-13) permitting the relinquishment of status under that law, shall not apply to redevelopment projects financed with bonds; and

WHEREAS, pursuant to the Tax Exemption Law, the City is authorized to provide for tax exemption within a redevelopment area and for payments in lieu of taxes in accordance with the applicable provisions thereof; and

WHEREAS, FC II, has submitted an application to the City for the approval of Phase IB Project, as such term is used in the Tax Exemption Law, all in accordance with N.J.S.A. 40A:20-8 (the "Exemption Application", a copy of which is attached hereto as Exhibit A); and

WHEREAS, included in the Exemption Application is a request for a tax exemption and payment in lieu of taxes pursuant to the Tax Exemption Law and the Redevelopment Bond Law; and

WHEREAS, the Exemption Application contains documentation evidencing financial responsibility and capability with respect to the proposed development; estimated total development costs; estimated time schedule for commencement and completion of the proposed development; and conceptual plans; and

WHEREAS, the City evaluated the Exemption Application according to criteria which included financial capabilities, experience, expertise, and project concept descriptions; and

WHEREAS, in order to enhance the economic viability of and opportunity for a successful project, the City will enter into a Financial Agreement with FC II, governing payments made to the City in lieu of real estate taxes on the Phase IB Project pursuant to the Tax Exemption Law (the "Financial Agreement"); and

WHEREAS, to finance certain aspects of the Phase 1B Project, the Jersey City Redevelopment Agency (the "Agency") will issue bonds in an aggregate principal amount of up to \$10,000,000 (the "Redevelopment Area Bonds") pursuant to the Redevelopment Bond Law, debt service for the repayment of which Redevelopment Area Bonds will come from the Pledged Annual Service Charge (as that term is defined in the Financial Agreement attached hereto); and

WHEREAS, the Redevelopment Area Bonds will be scheduled to mature twenty five years (25) after the date of issuance, pursuant to approval by the Local Finance Board; and

WHEREAS, the City and FC II have each agreed that the Base Annual Service Charge (as that term is defined in the Financial Agreement attached hereto), which is not pledged to the payment of debt service on the Redevelopment Area Bonds, paid by FC II to the City shall be for the City's use in its sole discretion; and

WHEREAS, the City and FC II have agreed that the Entity shall pay to the City the sum of five percent (5%) of the Base Annual Service Charge, which is payment of the "County Annual Service Charge" (as such term is defined in the Financial Agreement attached hereto) for remittance by the City to the County of Hudson, as required by N.J.S.A. 40A:20-12; and

WHEREAS, the City made the following findings:

In accordance with the Tax Exemption Law, specifically N.J.S.A. 40A:20-11, the City hereby finds and determines that the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the City and its citizens because the Financial Agreement allows for the development of a blighted site into a productive, useful and job-creating property, and further:

(a) The costs associated to the City with the tax exemption granted herein are minor compared to the estimated Total Project Cost of the Phase 1B Project of \$225,646,000, including an estimated \$168,884,000 in construction costs, an element of Total Project Costs, and the benefit created by (i) the construction of the Phase 1B Project, (ii) the creation of approximately 395 jobs during the construction period and (iii) the creation of approximately 9 permanent jobs through the permanent operation of the Phase 1B Project.

(b) Without the tax exemption granted herein it is highly unlikely that the Phase 1B Project would otherwise be undertaken, as a source of funding all or a portion of the costs thereof, other than from the proceeds of the Redevelopment Area Bonds, would not otherwise be available; and

WHEREAS, FC II is qualified to do business under the provisions of the Tax Exemption Law, and has submitted to the Mayor the Exemption Application, which is on file with the Office of the City Clerk, requesting a tax exemption for the Phase 1B Project; and

WHEREAS, the Mayor has submitted the Exemption Application and Financial Agreement to the Municipal Council with his written recommendation of approval (the "Mayor's Recommendation"), a copy of which is attached hereto as Exhibit B; and

WHEREAS, in order to set forth the terms and conditions under which FC II and the City (the "Parties") shall carry out their respective obligations with respect to (a) payment of the Annual Service Charge (as that term is defined in the Financial Agreement attached hereto) by FC II in lieu of real property taxes, and (b) issuance of the Redevelopment Area Bonds by the Agency and provision for repayment thereof by FC II (subject to adjustment as provided in the Financial Agreement), the Parties have determined to execute the Financial Agreement; and

WHEREAS, the Financial Agreement contemplates that the Annual Service Charge will be paid in three (3) categories: the Base Annual Service Charge, paid by FC II to the City for municipal services, as set forth in the Tax Exemption Law, for the City's use in its sole discretion, and the County Annual Service Charge made as an additional payment by FC II to the City for remittance by the City to Hudson County; and in addition to the Base Annual Service Charge and County Annual Service Charge, the Pledged Annual Service Charge, said payments (subject to adjustment as provided in the Financial Agreement) to be dedicated to debt service on the Redevelopment Area Bonds issued to support certain costs of the Phase 1B Project, pursuant to Redevelopment Bond Law (in addition to payment of the County Annual Service Charge), and the County Annual Service Charge paid by FC II to the City for remittance by the City to Hudson County; and

WHEREAS, pursuant to the Redevelopment Bond Law, the City, in the exercise of its power under the Redevelopment Bond Law, may enter into contracts as necessary, for the purpose of securing the Redevelopment Area Bonds to finance the Phase 1B Project; and

WHEREAS, the Redevelopment Bond Law requires the approval of the New Jersey Local Finance Board prior to the issuance of financial instruments such as the Redevelopment Area Bonds where such financial instruments are to be secured by payments in lieu of taxes such as the Pledged Annual Service Charges (subject to adjustment as provided in the Financial Agreement); and

WHEREAS, the City believes that (a) it is in the public interest for FC II to undertake the Phase IB Project; (b) the Phase IB Project is for the health, welfare, convenience or betterment of the inhabitants of the City; (c) the amounts to be expended by the City for said Phase IB Project are not unreasonable or exorbitant; and (d) the Phase IB Project is an efficient and feasible means of providing services for the needs of the inhabitants of the City and will not create an undue financial burden to be placed upon the City; and

WHEREAS, the City further wishes to approve the execution and delivery of a Pledge and Assignment Agreement with the Agency and/or its bond trustee (the "Pledge Agreement"), which Pledge Agreement will provide for, inter alia, the pledge and assignment of the Pledged Annual Service Charge to the Agency or its bond trustee as security for the payment of debt service on the Redevelopment Area Bonds; and

WHEREAS, the terms of any trust indenture to be entered into by the Agency in connection with the issuance of the Redevelopment Area Bonds will provide terms and provisions relating to the disbursement of proceeds of the Redevelopment Area Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, AS FOLLOWS:

1. The Redeveloper has been designated by the Jersey City Redevelopment Agency to act as redeveloper for the Phase IB Project, in accordance with the Redevelopment Plan and the plans and specifications contained in the Exemption Application, subject to the conditions and as more fully set forth in the form of Financial Agreement attached hereto. To the extent of any inconsistency with the definition of the "Phase IB Project" as contained in the Redevelopment Agreement, the definition of the Phase IB Project as contained herein and in the Financial Agreement shall control.
2. The Exemption Application, a copy of which is attached hereto as Exhibit A, is hereby approved in accordance with the Mayor's Recommendation, a copy of which is attached hereto as Exhibit B.
3. The Municipal Council hereby finds and determines that the Financial Agreement is to the direct benefit of the health, welfare and financial well-being of the City and its citizens because it allows for the development of a blighted site into a productive, useful and job-creating property, and further (a) the costs associated to the City with the tax exemption granted herein are minor compared to the estimated Total Project Cost of the Phase IB Project of \$225,646,000, including an estimated \$168,884,000 in construction costs, an element of Total Project Costs, and the benefit created by (i) the construction of the Improvements, (ii) the creation of approximately 395 jobs during the construction period and (iii) the creation of approximately 9 permanent jobs through the permanent operation of the Improvements, and (b) without the tax exemption granted herein it is highly unlikely that the Project would otherwise be undertaken, as a source of funding all or a portion of the costs thereof, other than from the proceeds of the Redevelopment Area Bonds, would not otherwise be available.
4. An exemption from taxation is hereby granted to FC II, with respect to the Phase IB Project for the term set forth in the Financial Agreement, but in no event shall the tax exemption commence until the effective date of the Financial Agreement, nor extend beyond the earlier of (i) thirty-two (32) years from the date of the adoption of this ordinance or (ii) twenty-five (25) years from the Substantial Completion of the Phase IB Project and only so long as the Phase IB Project is owned by an entity formed and operating under the Tax Exemption Law.
5. To the extent of any inconsistency with any prior City ordinance and/or Municipal Code provision governing the granting of long-term tax exemptions, including, inter alia, procedures for application, review and approval, required terms of the financial agreement, the payment of the Affordable Housing Trust Fund contribution under Jersey City Code Section 304-28(B), required conditions and covenants, limits on duration, means of enforcement, and all other matters whatsoever, such prior City ordinances and/or Municipal Code provisions are hereby waived (or, alternatively, shall be deemed to be amended and/or superseded by this ordinance) to the extent of such inconsistency, but only with respect to this Ordinance.

6. The term of the Redevelopment Area Bond for the Phase 1B Project, shall be twenty -five (25) years from issuance.
7. The Financial Agreement, in substantially the form attached hereto as Exhibit C, is approved. The Mayor or Business Administrator (Authorized Officers) are each hereby authorized to execute, on the City's behalf, the Financial Agreement in substantially such form, with such changes as the Authorized Officers shall determine, in consultation with the Corporation Counsel, such determination to be conclusively evidenced by their execution of the Financial Agreement. The City Clerk is hereby authorized and directed to attest to the execution of the Financial Agreement by the Authorized Officers of the City as determined hereunder and to affix the corporate seal of the City to the Financial Agreement.
8. Pursuant to the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-67(c) and, if applicable, N.J.S.A. 40A:12A-69, the City is hereby authorized to assign, for the benefit of the Agency and/or its bond trustee and as security for the Redevelopment Area Bonds, all of the City's right, title and interest in and to the Pledged Annual Service Charges. The Pledge Agreement, in substantially the form attached hereto as Exhibit D, is approved. The Authorized Officers, or either of them, are each hereby authorized to execute and deliver, on behalf of the City, the Pledge Agreement in substantially such form, with such changes as the Authorized Officers shall determine, in consultation with the Corporation Counsel, such determination to be conclusively evidenced by their execution of the Pledge Agreement. The Authorized Officers, or either of them, are each hereby further authorized to execute and deliver, on behalf of the City, such additional instruments as they may deem, in consultation with the Corporation Counsel, to be necessary or appropriate for the purpose of effectuating such assignment. The City Clerk is hereby authorized and directed to attest to the execution of the Pledge Agreement and any such additional instruments by the Authorized Officer(s) of the City as determined hereunder and to affix the corporate seal of the City thereto.
9. Executed copies of the Financial Agreement and the Pledge Agreement shall be certified by the City Clerk and filed with the Office of the City Clerk. The Office of the City Clerk shall also forthwith file certified copies of this ordinance and the Financial Agreement with the Director of the Division of Local Government Services pursuant to N.J.S.A. 40A:20-12.
10. Upon the execution of the Financial Agreement as contemplated herein, the Authorized Officers and the City Clerk are each hereby severally authorized and directed to file and record this Ordinance and the Financial Agreement with the Hudson County Register such that the Financial Agreement and this Ordinance shall be reflected upon the land records of the County of Hudson as a lien upon and a covenant running with each and every parcel of land constituting the Phase 1B Project. Pursuant to and in accordance with the provisions of the Redevelopment Bond Law, specifically N.J.S.A. 40A:12A-68(c), and notwithstanding any other law to the contrary, upon recordation of both this ordinance and the Financial Agreement, the lien thereof shall be perfected for all purposes in accordance with law and the lien shall thereafter be superior to all non-municipal liens thereafter recorded or otherwise arising, without any additional notice, recording, filing, continuation filing or action, until payment of all of the Redevelopment Area Bonds.
11. The Authorized Officers of the City are hereby further severally authorized and directed to (i) execute and deliver, and the City Clerk is hereby further authorized and directed to attest to such execution and to affix the corporate seal of the City to, any document, instrument or certificate deemed necessary, desirable or convenient by the Authorized Officers or the City Clerk, as applicable, in their respective sole discretion, after consulting with the Corporation Counsel, to be executed in connection with the execution and delivery of the Financial Agreement and the Pledge Agreement and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.
12. The Phase 1B Project when completed shall conform with all Federal and State law and ordinances and regulations of the City relating to its construction and use.
13. FC II shall in the operation of the Phase 1B Project comply with all laws so that no person shall, because of race, religious principles, color, national origin or ancestry, be subject to any discrimination.
14. FC II shall, from the time the Annual Service Charge becomes effective, pay the Annual Service Charge as set forth in the Financial Agreement.

15. All City officers and professionals are hereby authorized to take all necessary and appropriate steps to assist and join with FC II (i) in connection with the required application to the New Jersey Local Finance Board for approval of the issuance of the Redevelopment Area Bonds (in an aggregate principal amount up to \$10,000,000.00 for the Phase 1B Project) for the funding of a part of the cost of the Project and (ii) in connection with the required application to the Agency for approval of its issuance of said Redevelopment Area Bonds.
16. FC II shall pay all outstanding taxes and all outstanding water and sewer charges within thirty (30) days of the adoption of this Ordinance.
17. This ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.
18. Term: the earlier of 32 years from the adoption of the within Ordinance or 25 years from the date the Phase 1B Project is Substantially Complete.
19. Annual Service Charge in each year shall be calculated as follows:
 - (a) the amount in each year after Substantial Completion which shall be the greater of:
 - (i) the Minimum Annual Service Charge equal to the amount of a portion of the total taxes (land and pre-existing improvements) levied against all real property in the area covered by Phase 1B Project in the last full tax year in which the Property was subject to taxation, which sum is estimated to be approximately \$65,501; or
 - (ii) the Base Annual Service Charge equal to seven percent (7%) of Annual Gross Revenue of the Phase 1B Project for the first twenty (20) years of the term, which sum is estimated to be \$919,700, and for the remaining five years of the term, the greater of 7% of Annual Gross Revenue or ninety-five percent (95%) of conventional taxes otherwise due, as set forth in the Financial Agreement; and additionally
 - (b) the Pledged Annual Service Charge; plus
 - (c) the County Annual Service Charge.
20. Administrative Fee: 2% of the prior year's Annual Service Charge, which sum is estimated to be \$18,394.
21. County Payment: 5% of the Base Annual Service Charge to be paid by FC I to the City for remittance by the City to Hudson County, which sum is estimated to be \$45,985.
22. Phase 1B Project: A new mixed-income mixed use residential rental redevelopment project as Master Condominium Unit 2 under the Master Deed, to be designated on the Jersey City Tax Map as Block 11603, Lot 3, Qualifier C002, which is expected to consist of a new mixed-income thirty six (36) story building containing approximately four hundred thirty two (432) residential units, twenty percent (20%) or eighty-seven (87) of which will be affordable housing units, approximately 10,311 square feet of ground-level retail space and a parking garage for approximately two hundred and one (201) parking spaces all located on the Phase 1B property.
23. Affordable Housing Trust Fund: Waived per Paragraph 4 hereof and as set forth in the Financial Agreement.
24. An obligation to execute a Project Labor Agreement and a Project Employment and Contracting Agreement to insure employment and other economic benefits to City residents and businesses.
25. The Financial Agreement shall be executed by the Entity no later than ninety (90) days following adoption of the within Ordinance. Failure to comply shall result in a repeal of the herein Ordinance and the tax exemption will be voided unless otherwise extended at the City's sole discretion.
26. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Phase 1B Project begins within five (5) years of the adoption of the within Ordinance.
- A. The City Clerk shall deliver a certified copy of the Ordinance and Financial Agreement to the Tax Assessor and Director of the Division of Local Government Services.

- B. The application is on file with the office of the City Clerk. The Financial Agreement and Project Employment and Contracting Agreement shall be in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator or Corporation Counsel deems appropriate or necessary.
- C. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- D. This ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- E. This ordinance shall take effect at the time and in the manner provided by law.
- F. The City Clerk and Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All material is new; therefore underlining has been omitted.
For purposes of advertising only, new matter is indicated by **bold face**
and repealed matter by *italic*.

DJ
7/28/15

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐
Not Required ☒ 22688v2

GS FC Jersey City Pep 2

1. Ownership disclosure certification
2. Fiscal Impact Cost Projection
3. Good Faith estimate of rental income/condo
4. Projected construction costs
5. Schedule of ASC over the abatement
6. Tax Assessor spreadsheet
7. Projection of sales price for condos (n/a)
8. Memorandum from Al Cameron to the Law Department
9. Financial Agreement (attached to the Ordinance)

EXHIBIT F

GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC

Disclosure Statement

NAME OF ENTITY: GS FC Jersey City Pep 2 Urban Renewal, LLC

LOCATION OF PROJECT: Block 11603, Lot 3
Jersey City, New Jersey

PRINCIPAL PLACE OF BUSINESS: c/o Forest City Residential Group, Inc.
Terminal Tower, Suite 1300
50 Public Square
Cleveland, Ohio 44113-2267

PRINCIPAL CONTACT: Abe Naparstek
Forest City Residential Group
1 Metro Tech Center North
Brooklyn, NY 11201

NAME OF REGISTERED AGENT: Corporation Service Company
830 Bear Tavern Road, Suite 305
West Trenton, New Jersey 08628

I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE NAMES OF ALL MEMBERS IN THE ABOVE URBAN RENEWAL ENTITY (IF ONE OR MORE OF THE ABOVE NAMED IS ITSELF AN ENTITY, THE APPLICANT HEREBY PROVIDES THE NAMES OF ANY ENTITY OWNING AN INTEREST THEREIN)

100% of the membership interests in the Entity are owned by GS FC Jersey City Pep 2, LLC, a Delaware limited liability company.

----50% of the membership interests in GS FC Jersey City Pep 2, LLC are owned by G&S Investors/Jersey City L.P, a New York limited partnership.

-----the 1% general partner of G&S Investors/Jersey City L.P, is Jersey City Associates Inc, a New Jersey corporation.

-----the limited partners of G&S Investors/Jersey City L.P are Gregg Wasser owning a 90% interest and Lucas Traub owning a 9% interest.

-----the shareholders of Jersey City Associates Inc, are Gregg Wasser owning 90% of the shares and Lucas Traub owning 10% of the shares.

----50% of the membership interests in GS FC Jersey City Pep 2, LLC are owned by Forest City Residential Group, LLC, a Delaware limited liability company.

-----100% of the membership interests of Forest City Residential Group, LLC are owned by Forest City Rental Properties Corporation, an Ohio corporation.

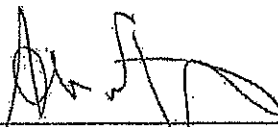
-----100% of Forest City Rental Properties Corporation is owned by Forest City Enterprises Inc., a publicly traded company. A list of its executive officers is attached hereto. A list of those persons or entities which are known to be the beneficial owners of more than 5% of outstanding common shares is attached hereto.

[SEE ADDENDUM ATTACHED]

I further certify that the foregoing statements made by me are true and accurate in all material respects and I understand that the City of Jersey City is relying upon this Certification in considering the Application.

Dated: June 10, 2015

GS FC Jersey City Pep 2 Urban Renewal, LLC

By: 
Name: Abe Waparstek
Title: Authorized Representative

Name	Title	Title (2)
Samuel H. Miller	Co-Chairman Emeritus	
Albert B. Ratner	Co-Chairman Emeritus	
Charles A. Ratner	Chairman of the Board	
David J. LaRue	President and CEO	
James. A Ratner	Executive Vice President	
Ronald A. Ratner	Executive Vice President	
Bruce C. Ratner	Executive Vice President	
Brian J. Ratner	Executive Vice President	
Robert G. O'Brien	Executive Vice President	Chief Financial Officer
Deborah Ratner Salzberg	Executive Vice President	
Andrew J. Passen	Executive Vice President	
James W. Finnerty	Executive Vice President	
Linda M. Kane	Senior Vice President	Treasurer
Geralyn M. Presti	Executive Vice President	General Counsel
Charles D. Obert	Senior Vice President	Controller
Jeffrey B. Linton	Senior Vice President	
Stephanie W. Dorsey	Senior Vice President	

Table of Contents

Principal Security Holders

Unless otherwise indicated, the following table sets forth the security ownership as of January 31, 2015 of all other persons who beneficially own more than 5% of our Common Stock.

Name and Address	Number of Shares of Common Stock Beneficially Owned					
	Class A Common Stock ^(a)	Percent of Class ^(a)	Class A Assuming Conversion of Class B by the Beneficial Owner ^(b)	Percent of Class ^(b)	Class B Common Stock	Percent of Class
FMR LLC 245 Summer Street Boston, MA 02210	13,136,380 ^(b)	7.23%	13,136,380 ^(b)	7.23%	—	0.00%
BlackRock, Inc. 55 East 52nd Street New York, NY 10022	11,970,729 ^(b)	6.59%	11,970,729 ^(b)	6.59%	—	0.00%
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	10,481,871 ^(b)	5.77%	10,481,871 ^(b)	5.77%	—	0.00%
Wellington Management Group LLP 280 Congress Street Boston, MA 02210	10,397,546 ^(b)	5.72%	10,397,546 ^(b)	5.72%	—	0.00%
Scopia Capital Management LLC 152 West 57th Street, 33rd Floor New York, NY 10019	9,476,120 ^(b)	5.31%	9,476,120 ^(b)	5.31%	—	0.00%
Ratner, Miller & Shafan Family Interests (see page 6) Terminal Tower 50 Public Square, Suite 1600 Cleveland, OH 44113	10,296,574 ^(b)	5.64%	27,094,668 ^(b)	13.98%	17,697,694 ^(b)	92.19%

- (1) FMR LLC has sole voting power of 1,952,821 shares of Class A Common Stock and sole dispositive power of 13,136,380 shares of Class A Common Stock. The number of shares of Class A Common Stock represents shares beneficially owned at December 31, 2014 as disclosed in Schedule 13G filed with the SEC by the principal security holder.
- (2) BlackRock, Inc. has sole voting power of 11,377,631 shares of Class A Common Stock and sole dispositive power of 11,970,729 shares of Class A Common Stock. The number of shares of Class A Common Stock represents shares beneficially owned at December 31, 2014 as disclosed in Schedule 13G/A filed with the SEC by the principal security holder.
- (3) The Vanguard Group has sole voting power of 315,443 shares of Class A Common Stock, sole dispositive power of 10,237,028 shares of Class A Common Stock, shared voting power of 130,800 shares of Class A Common Stock and shared dispositive power of 244,843 shares of Class A Common Stock. The number of shares of Class A Common Stock represents shares beneficially owned at December 31, 2014 as disclosed in Schedule 13G/A filed with the SEC by the principal security holder.
- (4) Wellington Management Group LLP, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, has shared voting power of 9,894,403 shares of Class A Common Stock and shared dispositive power of 10,397,546 shares of Class A Common Stock. The number of shares of Class A Common Stock represents shares beneficially owned at December 31, 2014 as disclosed in Schedule 13G/A filed with the SEC by the principal security holder.
- (5) Scopia Capital Management LP, an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, has shared voting and dispositive power of 9,476,120 shares of Class A Common Stock. The number of shares of Class A Common Stock represents shares beneficially owned at December 31, 2014 as disclosed in Schedule 13G filed with the SEC by the principal security holder.
- (6) The Ratner, Miller and Shafan families have an ownership interest in the Company as reflected in the principal security holders table. These securities are beneficially owned by members of these families either individually or through a series of trusts, foundations and custodianships. Of the shares of Class B Common Stock listed, RMSLP owns 12,907,093 shares, which represent 67.23% of the Class B Common Stock outstanding at January 31, 2015.

Certain members of the Ratner family are currently directors and have been nominated for election to serve on our Board of Directors. (See information regarding current directors and director nominees previously disclosed for further information regarding the beneficial ownership of

FISCAL IMPACT COST PROJECTION: MIXED RATE RENTAL UNITS

Block: 11603 Lot: 3 Qual: C0002 Loc: 444 WARREN ST (PEP BOYS PHASE 2)

Marked Rate/Affordable Mixed Income Rentals	Number of Units	Demographic Multipliers*		Annual Expenditures						Total Annual Expenditures
		Household	Students	Total Residents	Total Students	Per Capita Municipal	Per Pupil Per School District	Municipal	School District	Total
Planned Development										
1 Bedroom	274	1.421	0.050	389.35	13.70	\$1,163.68	\$3,445.00	\$453,084.05	\$47,196.50	\$500,280.55
2 Bedroom	71	2.012	0.120	142.85	8.52	\$1,163.68	\$3,445.00	\$186,234.23	\$29,351.40	\$195,585.63
1 Bedroom (Affordable)	69	1.610	0.140	111.09	9.66	\$1,163.68	\$3,445.00	\$129,273.38	\$33,278.70	\$162,552.08
2 Bedroom (Affordable)	18	2.760	0.620	49.68	11.16	\$1,163.68	\$3,445.00	\$57,811.70	\$38,446.20	\$96,257.90
TOTAL	432			692.98	43.04			\$806,403.35	\$148,272.80	\$954,676.15

1. Total Municipal Ratables	\$5,916,171,471	4. CY 2014 Budget	\$516,641,147	6. Population of Jersey City (2010 Census)	247,597	9. Increase in Services Incurred Per Development	\$ 954,676.15
2. Residential Ratables	\$3,299,371,882			7. Per Capita Municipal Cost	\$1,163.68	10. Anticipated Gross PILOT	
Commercial Ratables	\$1,439,637,425			8. Annual Expenditures Per Student**	\$3,445.00	1st Year	7% AGR \$ 919,700.00
3. Residential Ratables as a Percentage of Total Ratables	55.77%	5. Residential Portion	\$288,124,048			5% County \$ 45,985.00	2% Admin \$ 18,394.00
						Less Land Tax (74.34)	\$ (346,803.53)
						11. 1st Year Net PILOT	\$ 637,275.47
						12. Implied Surplus (Cost)	\$ (317,400.68)

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

*Source: New Jersey Demographic Multipliers; Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006

**Source: 2014-2015 Jersey City Municipal Cost Per Pupil

Additional estimated Annual Pledged Service Charge amounts not included in impact will average \$936,950.

EXHIBIT B-1

GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC DESCRIPTION OF RESIDENTIAL LEASES GOOD FAITH ESTIMATE OF INITIAL RENTS FOR UNITS

- | | |
|--------------------------|----------------------------------|
| 1. Name of Tenant | Various |
| 2. Term of Lease
each | Typically no less than 12 months |
| 3. Number of Apartments: | |

Market Rate:

Junior 1 Bedroom	55
1 Bedroom	219
<u>2 Bedroom</u>	<u>71</u>
Total	345

Affordable Housing:

Junior 1 Bedroom	14
1 Bedroom	55
<u>2 Bedroom</u>	<u>18</u>
Total	87

4. Rent Per Apartment

Market Rate:

	<u>Annual</u>	<u>Monthly</u>
Junior 1 Bedroom	\$27,900	\$2,325
1 Bedroom	\$31,676	\$2,640
2 Bedroom	\$41,154	\$3,429

Affordable HousingGross Rent:

	<u>Annual</u>	<u>Monthly</u>
Junior 1 Bedroom	\$12,648	\$1,054
1 Bedroom	\$13,548	\$1,129
2 Bedroom	\$16,248	\$1,345

5. Premium paid directly by Tenant Annually
- | | |
|---|-----|
| a. Fire & other insurance | N/A |
| b. Real Estate Taxes of Assessments
on property in project | N/A |
| c. Operating and maintenance | |

expenses ordinarily paid by tenant	N/A
6. Renewal Option (Yes / No)	
a. Number of Years	One
b. Renewal Rent	Market increases
7. Special Features (step-up rents, etc.)	None

EXHIBIT B-2

GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC
ESTIMATED FISCAL PLAN

Rental Income:

<u>Apartment</u>	<u>Units</u>	<u>Annual</u>
Junior 1 Bedroom x	79	\$1,711,572
One Bedroom x	274	\$7,683,060
Two Bedroom x	89	\$3,214,028
Total Potential Residential Income		\$12,608,660
Other Project Revenue		<u>\$1,368,570</u>
Total Gross Income		\$13,977,230
Vacancy (6%)		<u>(\$)838,633</u>
Effective Gross Income		\$13,138,597

Property, administrative and financial expenses:

Payment in lieu/BASC+CASC+Admin Fee	\$ 984,080
Management Fee (3.3%)	\$ 426,943
Repairs and Maintenance	\$ 441,752
Insurance	\$119,943
Utilities	\$368,175
Labor - Payroll, Taxes & Benefits	\$771,015
Advertising/Marketing	\$280,000
Miscellaneous Operating Expenses	\$220,305
Reserves	<u>\$129,600</u>
Total Expenses	\$3,741,813

Net Operating Income (before Debt Service): \$9,396,784

Debt Service \$8,959,072

NET OPERATING INCOME LESS DEBT SERVICE: \$437,712

EXHIBIT B-3

GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC

ANNUAL GROSS REVENUE COMPUTATION

(1)	Total Annual Gross Rental Income	\$12,608,164
(2)	Real Estate Taxes and/or Assessment on Property*	\$
(3)	Insurance Premiums*	\$
(4)	Operating, Maintenance or Repair Expenses*	\$

*N.J.S.A. 40A:20-3(a) provides that "the financial agreement shall establish the method of computing gross revenue for the entity, and the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, which shall be included in gross revenue..."

Total Annual Gross Rental

Apartments	<u>Units</u>	<u>Annual</u>
Junior 1 Bedroom x	79	\$1,711,572
One Bedroom x	274	\$7,683,060
Two Bedroom x	89	\$3,214,028
Total Potential Residential Income		\$12,068,660
Other Project Revenue		\$1,368,570
Total Gross Income		\$13,975,230
Vacancy (6%)		<u>(\$)838,514</u>
Effective Gross Income		\$13,136,716

(5)	Annual Payment in Lieu of Taxes: 7% BASC+CASC+Admin Fee Years 1-20	\$959,124
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EXHIBIT C

GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC

Total Project Cost

Estimated Total Project Cost Calculation per N.J.S.A. 40A:20-3(h):

A. Cost of land and improvements to Urban Renewal Entity	\$17,280,000
B. Architects, Engineers, surveying and Attorney Fees (paid or payable) in connection with the planning, construction and financing of the Phase 1B Project	\$ 9,781,000
C. Projected construction cost per architect's estimate, bids including site preparation	\$168,884,000
D. Insurance, Interest, and Finance Costs during Construction	\$ 8,866,000
E. Cost of Obtaining Initial Permanent Financing	\$5,142,000
F. Marketing and other expenses payable in connection with initial lease of units	\$ 5,787,000
G. Real Estate Taxes and Assessments during Construction Period	\$400,000
H. Developer's Overhead based on a percentage of (c) above, to be computed in accordance with percentage given in law N.J.S.A. 40A:20-3 (h)	\$ 9,506,000
Total Project Cost	\$225,646,000

EXHIBIT C-1

GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC

Certification of Estimated Construction Costs

On this 10th day of June, 2015 the undersigned being the architect for the Phase 1B Project to be developed by GS FC Jersey City Pep 2 Urban Renewal, LLC, does hereby certify to the best of my knowledge and belief that Exhibit C accurately reflects the estimated actual construction costs of the Phase 1B Project.

By: 

Name:

Title: Architect

JOHN PEARS RIBA

GS FC JERSEY CITY PEP II URBAN RENEWAL ASSOCIATES, LLC**Block 11603 Lot 3.01 QL:C0002****444 Warren St.****(With Affordable Housing Component)**

Block	Lot		Existing Prorated (subdvi.)	New Assessments	Good Faith ASC	Land Tax
11603	3.01\C0002	Land	496,900	4,665,100		
		Bldg	384,200	27,219,700	919,570	
		Total	881,100	31,884,800	919,570	

**Est. In-Lieu of Full Property Tax Payments An Amount Equal
To A Percentage Of Taxes Otherwise Due On The Land and
New Improvement According To The Following Stages:**

ASC

Stage One	From the 1st day of the month following substantial completion until the last day of the 9th year, the ASC shall be at 7% of Annual Revenue	\$	919,570	\$	346,804
Stage Two	Beginning on the 1st day of the 10th year and the last day of the 13th year of substantial completion, an amount equal to the greater of the ASC at 7% or 20% of the amount of taxes otherwise due on the value of the land and improvements;	\$	919,570	\$	346,804
Stage Three	Beginning on the 1st day of the 14th year and the last day of the 17th year of substantial completion, an amount equal to the greater of the ASC at 7th or 40% of the amount of taxes otherwise due on the value of the land and improvements;	\$	919,570	\$	346,804
Stage Four	Beginning on the 1st day of the 18th year and the last day of the 21st year of substantial completion, an amount equal to the greater of the ASC at 7% or 60% of the amount of taxes otherwise due on the value of the land and improvements;	\$	919,570	\$	346,804
Final Stage	Beginning on the 1st day of the 22nd year and the last day of the 30th year of substantial completion, an amount equal to the greater of the ASC at 7% or 80% of the amount of taxes otherwise due on the value of the land and improvements.	\$	919,570	\$	346,804

7/15/2015 Yearly Land and Improvement Yearly Tax
(Based on 2014 tax rate o \$74.34 & 30.02% Assessment Ratio)

Assessment
(Phased-In)

22,099,500

22,099,500

Annual Taxes* Taxes
Bldg Land & Bldg
(Phased-In)

0 \$ 346,804

\$ 404,702 \$ 751,506

\$ 809,405 \$ 1,156,209

\$ 1,214,107 \$ 1,560,911

\$ 1,618,810 \$ 1,965,614

\$ 2,370,316

DATE: July 15, 2015

TO: Diana Jeffrey (For distribution to City Council and City Clerk)

FROM: Al Cameron, Fiscal Officer - Tax Collector's Office

SUBJECT: TWENTY- FIVE YEAR TAX ABATEMENT: MIXED-USE, MIXED-INCOME RENTAL PROJECT – GS FC Jersey City PEP 2 Urban Renewal LLC, - Block 11603 Lot 3 Qualifier C 0002

CC: M. Cosgrove, E. Borja, E. Toloza, J. Monahan, M. Vigil, G. Corrado

INTRODUCTION:

The applicant, GS FC Jersey City Pep 1 Urban Renewal LLC, is applying for a twenty-five (25) year tax abatement. It will be new construction of a thirty-six (36) story mixed-use; mixed-income rental project constructed on Block 10102 Lot 3 Condominium unit 2.

This is phase two (2) of a two (2) phase project. Phase one (1) is not part of this application. Since twenty percent (20%) of the residential units are affordable to residents earning no more than eighty percent (80%) of the Hudson County median income adjusted for family size, an application fee is not required.

LOCATION OF THE PROPERTY:

The property is located at the former site of Pep Boys Store. It is west of the HBLR Tracks between Washington Boulevard and the proposed extension of Warren Street between Fourth (4th) Street and Thomas Gangemi Drive. It is Currently Block 11603 Lot 3. It will be Unit 1 of a planned two (2) unit Condominium. A Master Deed is yet to be filed. The proposed address is 444 Warren Street.

FINANCING PLAN:

The Applicant proposes to finance the project using following sources in the approximate amounts shown:

- \$50,000,000 Private equity
- \$133,000,000 Construction Loan
- \$10,000,000 Redevelopment Area Bonds issued by the Jersey City Redevelopment Agency.
- \$33,000,000 EB5 Immigrant investor Financing Program
- \$40,000,000 Tax Credit Allocation from the New Jersey Economic Development Authority Grant

PROPERTY TO BE CONSTRUCTED:

The proposed project will be thirty-six (36) story mixed-use, mixed-income rental building. The building will contain approximately four hundred and thirty-two (432) residential units, 10,311 square feet commercial space. There will also be a parking garage for two hundred and one (201) cars. The residential units will consist of the following:

<u>Unit Type</u>	<u>Market Rate</u>	<u>Affordable</u>	<u>Total</u>
Junior One bedroom	55	14	69
One Bedroom	219	55	274
Two Bedroom	71	18	89
Total	345	87	432

ESTIMATED TOTAL PROJECT COST:

The cost of construction estimated at \$ 168,884,000 is certified by John Pears the applicant's architect. Total Project Cost is projected at \$225,646,000. Note the proposed financing is less than the total project cost.

CONSTRUCTION SCHEDULE:

The applicant estimates construction will begin in April 2018 with completion in approximately thirty (30) months.

ESTIMATED JOBS CREATED:

The applicant estimates creation of three hundred-ninety-five (395) jobs during Construction. Post-construction jobs will be approximately nine (9) permanent real estate management and service positions. In addition the projected retail positions are approximately ten (10). The applicant will execute both a Project Employment and Contracting Agreement and a Project Labor Agreement.

CURRENT REAL ESTATE TAX:

The total current assessment for the land and building for the entire lot is \$1,750,000. At the current tax rate of \$74.34 the 2014 tax was \$130,065. The taxes for the second quarter 2015 are paid.

The Tax Assessor has assessed the land on the proposed subdivision into two condominium units. The assessment for Condo Unit 2 land is \$4,665,100. The improvements will be assessed at \$27,219,700.

PROPOSED ABATEMENT:

The applicant has requested a term of the lesser of thirty-five (35) years from the date of approval of an ordinance approving the abatement or twenty-five (25) years from substantial completion of the project.

The Applicant proposes a Base Annual Service Charge of seven percent (7%) of Annual gross revenue, in years one (1) through twenty (20). A two percent (2%) City administrative fee and a five percent (5%) service charge to Hudson County for the first twenty (20) years.

Beginning in year twenty-one (21) through the end of year twenty-five (25) the Base Annual Service Charge shall increase to ninety-five percent (95%) of conventional taxes. The City will pay the five percent (5%) fee to the County. The Applicant will not.

In addition the Applicant will pay a Pledged Annual Service Charge equal to the full amount of the Debt Service required to meet the payments on the Redevelopment Area Bonds. The estimated Annual Pledged Service Charge amounts will average \$936,950. The estimated maximum payment is \$1,021,050.

PROPOSED REVENUE TO THE CITY:

At full occupancy the Good Faith estimated annual revenue is \$13,138,544. The Basic Annual Service charge at the rate of seven percent (7%) is \$919,700. The City Administrative fee at two percent (2%) would be \$18,394 and the Hudson County fee of five percent (5%) would be \$45,985. Beginning the first day ofn year twenty-one (21) through the end of year twenty-five (25), the applicant will not be required to pay the City Administration Fee nor the County Fee. However the City will forward five percent (5%) of the annual service charge to the County.

Record and Return To:

Rev. 7-28-15

Long Term Tax Exemption

N.J.S.A. 40A:20-1, et seq.

(New Market Rate Res Rental FA)

Re: 444 Warren Street
Approximately 1.25 Acres
Block 11603, Lot 3
Master Condominium Unit 2
Harsimus Cove Station Redevelopment Plan, as amended
and supplemented

PREAMBLE

THIS FINANCIAL AGREEMENT [Agreement] is made this ____ day of _____, 2015, by and between **GS FC JERSEY CITY PEP 2 URBAN RENEWAL LLC**, an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, N.J.S.A. 40A:20-1 et seq. [Long Term Tax Exemption Law], having its principal office at c/o Forest City Residential Group, Inc., Terminal Tower, 50 Public Square, Suite 1300, Cleveland, OH 44113-2267 [Entity], and the **CITY OF JERSEY CITY**, a municipal corporation of the State of New Jersey, having its principal office at City Hall, 280 Grove Street, Jersey City, New Jersey 07302 [City].

RECITALS

WITNESSETH:

WHEREAS, **GS FC JERSEY CITY PEP 2 URBAN RENEWAL, LLC** is the contract purchaser under a Contribution Agreement dated June 24, 2015, between FS FC Jersey City Pep 2 LLC as the grantor, and GS FC Jersey City Pep 2 Urban Renewal, LLC as the grantee, for certain real property designated as Block 11603, Lot 3, C 0002, as set forth as Exhibit 1 to this Agreement, as shown on the official current tax map of the City of Jersey City, New Jersey, more commonly known by the street addresses of 444 Warren Street, and more particularly described by the metes and bounds description set forth as Exhibit 2 to this Agreement [Property], which Property is located within the boundaries of the Harsimus Cove Station Redevelopment Plan area, as amended and supplemented; and

WHEREAS, the redevelopment of the Harsimus Cove Station Redevelopment Plan area requires certain on-site and off-site public improvements and infrastructure, certain of which will be undertaken by the Entity in connection with the Phase IB Project (defined below); and

WHEREAS, GS FC Jersey City Pep 1, LLC and GS FC Jersey City Pep 2, LLC will record a Master Deed [Master Deed] to submit all of the Property to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, the Master Deed shall create two (2) master condominium units, with proportionate common elements, to be developed in two (2) phases; and

WHEREAS, GS FC Jersey City Pep 1, LLC, GS FC Jersey City Pep 2, LLC and the Entity have entered into a Contribution Agreement, dated as of June 24, 2015, pursuant to which the Entity will be the owner of master condominium unit 1 ([Master Condominium Unit 1]) located on the Property; and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal, LLC has entered into a Contribution Agreement dated June 24, 2015, pursuant to which GS FC Jersey City Pep 2 Urban Renewal, LLC will be the owner of Master Condominium 2, located on the Property; and

WHEREAS, the Entity plans to construct phase 1, which will consist of phase 2, which is expected to consist of a thirty-six (36) story building having approximately 432 market-rate residential rental units, of which twenty percent (20%) or eighty-seven (87) units will be moderate income affordable rental housing, and the remaining eighty percent (80%) or 345 units will be market rate residential rental housing, including approximately 10,311 square feet of retail/commercial space, and a parking garage containing approximately 201 parking spaces together with public improvements and infrastructure related thereto [collectively, the Phase IB Project]; and

WHEREAS, GS FC Jersey City Pep 2 Urban Renewal, LLC plans to construct, a 35-story building having approximately 421 market-rate residential rental units, of which twenty percent (20%) or eighty-seven (87) units will be moderate income affordable rental housing, and the remaining eighty percent (80%) or 336 units will be market rate residential rental housing, and including approximately 12,435 square feet of retail/commercial space and a parking garage containing approximately 264 parking spaces, together with public improvements and infrastructure related thereto located adjacent to the Phase IB Project and to be commonly known as 474 Warren Street, Jersey City, New Jersey [Phase 1A Project], and GS FC Jersey City Pep 1 Urban Renewal, LLC is entering into a Financial Agreement with the City with respect to the Phase 1A Project on the date hereof [Phase 1A Financial Agreement]; and

WHEREAS, The eighty-seven (87) on-site moderate income affordable housing units in the Phase IB Project shall be subject to a deed restriction or other recorded agreement as a Material Condition of this Financial Agreement, and this deed restriction or other recorded agreement shall restrict twenty percent (20%) or 87 units as moderate income affordable housing for a minimum period of twenty (20) years from the date of Substantial Completion (as hereinafter defined) of the Phase 1B Project (the "Affordable Housing Term"); and

WHEREAS, the parties agree that the 87 units in the Phase 1B Project shall be subject to the affordability controls, restrictions on rents, such that all 87 units shall be reserved for persons of moderate income (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) and such tenant eligibility requirements as set forth in HUD guidelines, to be administered by the City or its designated agent, and shall be a Material Condition of this Financial Agreement and as more fully described herein; and

WHEREAS, The eighty-seven (87) on-site moderate income affordable housing units in the Phase 1B Project shall include sixteen (16) junior one bedroom units; forty-six (46) one bedroom units; and twenty three (23) two bedroom units; and

WHEREAS, on March 10, 2015, the Phase 1B Project received a site plan approval from the Planning Board; and

WHEREAS, on July 9, 2015, the Entity filed an Application with the City, for a Phase 1B long term tax exemption for the Phase 1A Project; and

WHEREAS, by the adoption of Ordinance _____ on _____, 2015, the Municipal Council approved a long term tax exemption for the Phase 1A Project and authorized the execution of a Financial Agreement; and

WHEREAS, the City made the following findings:

A. Relative Benefits of the Phase 1B Project when compared to the costs:

1. the current real estate taxes as pro-rated for Master Condominium Unit 2, Block 11603, Lot 3, C.0002, generate total revenue of approximately \$ 65,501, whereas, the service charges payable hereunder [Base Annual Service Charge], as estimated, will generate revenue to the City an annual service charge of \$99,570;

2. No contribution to the City's Affordable Housing Trust Fund shall be required of the Entity pursuant to Jersey City Code Section 304-28(B), as long as the Entity shall, by a recorded deed or agreement, restrict (thereby set aside) twenty percent (20%) of the project for moderate income affordable housing for the Affordable Housing Term. In the event that the Entity should voluntarily terminate its tax exemption or take action to cause the affordability control restrictions to expire, prior the expiration of the Affordable Housing Term, the Entity shall make the Affordable Housing Trust Fund contribution to the City in the amount of \$663,467, as shall be adjusted for inflation, within thirty days of the event triggering this payment;

3. it is expected that the Phase 1B Project will create approximately 395 new construction jobs, and 9 new permanent full time jobs;

4. the Phase IB Project should stabilize and contribute to the economic growth of existing local business and to the creation of new businesses, which cater to new occupants;

5. the Phase IB Project will further the redevelopment objectives of the Harsimus Cove Station Redevelopment Plan, which include the promotion of the principals of smart growth and transit village development;

6. the City's Fiscal Impact Cost Analysis, on file with the Office of the City Clerk indicates that the benefits of the Project outweigh the costs to the City; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the Phase IB Project and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Phase IB Project more attractive to investors and lenders needed to finance the Phase IB Project; and

2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life the Phase IB Project, which will attract occupants to the Phase IB Project, insure the likelihood of stabilized rents to tenants and the success of the Phase IB Project; and

3. the relative stability and predictability of the service charges will have a positive impact on the surrounding area; and

WHEREAS, on April 21, 2015, the Entity entered into that certain Redevelopment Agreement [Redevelopment Agreement] with Jersey City Redevelopment Agency [JCRA] in accordance with the Local Redevelopment and Housing Law, as amended and supplemented, N.J.S.A. 40A:12A-1 et seq. [Redevelopment Law]; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-66, a municipality that has designated a redevelopment area may provide for tax abatement (exemption) within that redevelopment area and for payments in lieu of taxes in accordance with the provisions of the Long Term Tax Exemption Law; provided, however, that the provisions of section 12 of the Long Term Tax Exemption Law (N.J.S.A. 40A:20-12) establishing a minimum or maximum annual service charge and requiring staged increases in annual service charges over the term of the exemption period, and of section 13 of the Long Term Tax Exemption Law (N.J.S.A. 40A:20-13) permitting the relinquishment of status under that law, shall not apply to redevelopment projects financed with bonds; and

WHEREAS, pursuant to the Redevelopment Law and Redevelopment Area Bond Financing Law, as amended and supplemented, N.J.S.A. 40A:12A-64 et seq. [RAB Law], the Project is a redevelopment project in a redevelopment area, within the meaning of such law, and JCRA has agreed in the Redevelopment Agreement to issue bonds to finance the Project

[Redevelopment Bonds], which will be paid from and secured by an assignment by the City of the Pledged Annual Service Charges.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

ARTICLE I – GENERAL PROVISIONS

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, the Redevelopment Law, the RAB Law, Executive Order of the Mayor 02-003, Disclosure of Lobbyist Status, Ordinance 02-075, and Ordinance _____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, dated July 9, 2015, attached hereto as Exhibit 3, in granting this tax exemption. It is expressly understood and agreed that the Entity expressly relies upon this tax exemption, and the JCRA's issuance of Redevelopment Bonds, in undertaking the Phase IB Project.

Section 1.2 General Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, the following terms shall have the following meanings:

i. Affordability Controls. Means affordability controls and restrictions on rent such that eighty five (87) rental apartments consisting of sixteen (16) junior one bedroom units; forty-six (46) one bedroom units; and twenty three (23) two bedroom units are all reserved for persons of moderate income (i.e. 80% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) published income and rent limits for 80% AMI in Hudson County) to be administered by the City or its delegated agent under HUD guidelines.

ii. Allowable Net Profit. The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to N.J.S.A. 40A:20-3(c).

iii. Allowable Profit Rate. The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County, New Jersey [County]. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

iv. Annual Gross Revenue. Any and all revenue derived from or generated by the Phase IB Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, or as user fees or for any other services. No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party.

v. Annual Service Charge. The amount the Entity has agreed to pay the City each year for municipal services supplied to the Phase IB Project, which sum is in lieu of any taxes on the Improvements pursuant to N.J.S.A. 40A:20-12. The Annual Service Charge shall consist of the Base Annual Service Charge, the County Annual Service Charge and the Pledged Annual Service Charge, as more fully set forth herein and on Schedule 1. The Annual Service Charge shall also include excess net profits payable pursuant to N.J.S.A. 40A:20-15, if any.

vi. Auditor's Report. A complete annual financial statement outlining the financial status of the Phase IB Project, which shall also include a certification of Total Project Cost and clear computation of the annual Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

vii. Base Annual Service Charge. That portion of the Annual Service Charge to be paid by the Entity to the City pursuant to Section 4.1(i) hereof. The Base Annual Service Charge shall not be pledged to pay Redevelopment Bonds.

viii. Certificate of Occupancy. A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

ix. County Annual Service Charge. That portion of the Annual Service Charge to be paid by the Entity to the City pursuant to Section 4.1(ii) hereof. The County Annual Service Charge shall not be pledged to pay Redevelopment Bonds.

x. Debt Service. The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage, mezzanine, preferred debt and/or equity, or other financing including returns on institutional equity financing and market rate related party debt, including financing provided through the EB-5 Immigrant Investor Program, for the Phase IB Project for a period equal to including the Redevelopment Area Bonds, for all periods during the term of this Agreement.

xi. Default. Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

xii. Entity. The term Entity within this Agreement shall mean GC FS Jersey City Pep 2 Urban Renewal LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Phase IB Project, provided they are formed and operate under the Law.

xiii. Improvements or Phase IB Project. Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

xiv. In Rem Tax Foreclosure or Tax Foreclosure. A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

xv. Land Taxes. The amount of taxes assessed on the value of land, on which the Phase IB Project is located, which for the current fiscal year are approximately \$36,940, prorated based on the subdivision and the apportioned share of common elements between Master Condominium Unit 1 and Master Condominium Unit 2. Land is not exempt; however, Land Taxes shall be apportioned to the Phase IA Project according to the Entity's ownership of common elements as more fully described in the Master Deed, which equals approximately 53.65% of the common elements, and applied as a credit against the Base Annual Service Charge in accordance with the Long Term Tax Exemption Law, to the extent provided in Section 4.1(v) hereof. The land tax credit shall be applied twelve (12) months following Substantial Completion. Under no circumstances should Land Taxes paid by or apportioned to the Phase IA Project be applied as a credit to the Base Annual Service Charge for the Phase IB Project.

xvi. Land Tax Payments. Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes (pro rated for Master Condominium Unit 2 only) as determined by the Tax Assessor and the Tax Collector.

xvii. Law. Law shall refer to the Long Term Tax Exemption Law; the Redevelopment Law; the RAB Law; Executive Order of the Mayor 02-003, relating to long term tax exemption, as it may be supplemented; Ordinance 02-075 requiring Disclosure of Lobbyist Status and Ordinance _____, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

xviii. Minimum Annual Service Charge. The Minimum Annual Service Charge shall be the amount in each year the greater of: (a) the amount of the total taxes (land and pre-existing improvements) levied against all real property, prorated for Master Unit 1 based on the subdivision and the apportioned share of the common elements for Master Unit 1, in the area covered by the Phase IA Project in the last full tax year in which the area was subject to taxation, which amount the parties agree is \$65,501; or (b) the Base Annual Service Charge equal to seven percent (7%) of Annual Gross Revenue of the Phase IB Project for the first twenty (20) years of the term, which sum is estimated to be \$919,570 and which shall be due 12 months following

Substantial Completion of the Project.

Following Substantial Completion, the Minimum Annual Service Charge set forth in subsection (b) shall be paid in each year in which the Base Annual Service Charge, calculated pursuant to N.J.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge.

xix. Net Profit. The Annual Gross Revenues of the Entity less all annual operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all annual service charges paid pursuant to this Agreement; (b) all annual payments to the City of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all Debt Service; and

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of Debt Service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

xx. Pronouns. He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

xxi. Pledged Annual Service Charge. That portion of the Annual Service Charge to be paid by the Entity pursuant to Section 4.1(iii) hereof. The Pledged Annual Service Charge shall be pledged to pay Redevelopment Bonds.

xxii. Substantial Completion. The determination by the City that the Phase IB Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the first date on which the Phase IB Project receives, or is eligible to receive (as determined by the Construction Code official), any Certificate of Occupancy whether temporary or permanent for any portion of the Phase IB Project, whether or not occupied or leased.

xxiii. Termination. Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

xxiv. Total Project Costs. The total cost of constructing the Phase IB Project through the date a Certificate(s) of Occupancy is issued for the entire Phase IB Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title, if applicable.

xxv. Trust Indenture. That certain Indenture of Trust, Bond Agreement, or other similar form of agreement, if any, as it may be amended and supplemented, to be entered into by and between the JCRA and the trustee with respect to the Redevelopment Bonds. As used herein, the term "trustee" shall mean the bond trustee or other person acting in a similar capacity.

ARTICLE II - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for the Phase IB Project, Master Condominium Unit 2, constituting the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on the Property.

Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Improvements to be Constructed

Entity represents that it will construct the Phase IB Project; all of which is specifically described in the Application attached hereto as Exhibit 3.

Section 2.3.1 Affordability Controls

The Project shall include twenty percent (20%) of the units or eighty-seven (87) units as moderate income affordable housing, for the Affordable Housing Term as herein defined, as a Material Condition of this Agreement. The Entity has agreed to record a deed or other agreement restricting twenty percent (20%) or eighty-seven (87) units as moderate income affordable housing, in accordance with the Affordability Controls, and provide proof of same to the City within ninety days (90) of adoption of Ordinance ____ authorizing this Financial Agreement.

As a Material Condition of this Financial Agreement, the Entity agrees to conform to the standards for restrictions on rent and tenant eligibility requirements pertaining to the moderate income affordable housing units, as described in Affordability Controls. The Entity agrees as a Material Condition of this Financial Agreement to cooperate with the administrative agent the City will assign to administer and enforce this Section, in a manner consistent with HUD requirements.

Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Phase IB Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5.

Section 2.5 Ownership, Management and Control

The Entity represents that promptly following the recordation of the Master Deed it will be the owner of Master Condominium Unit 2. Upon construction, the Entity represents that the Improvements will be used, managed and controlled for the purposes set forth in this Agreement.

Section 2.6 Financial Plan

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth a good faith estimate of Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.7 Good Faith Estimate of Initial Rents/Master Deed

The Entity represents that its good faith projections of the initial rents and lease terms for the Phase IB Project are set forth in Exhibit 7. The Entity agrees that the Master Deed shall not be amended in any manner that will reduce the economic benefits to the City, including but not limited to a reduction in the Base Annual Service Charge or the Pledged Annual Service Charge to the City.

ARTICLE III - DURATION OF AGREEMENT

Section 3.1 Term

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that the tax exemption and this Agreement shall remain in effect for the earlier of 30 years from the date of adoption of Ordinance _____ on _____, 2015, which approved the tax exemption, or 25 years from the date of Substantial Completion of the Phase IB Project. The tax exemption shall only be effective during the period of usefulness of the Phase IB Project and shall continue in force only while the Phase IB Project is owned by an entity formed and operating under the Law.

The Redevelopment Area Bonds will be scheduled to mature twenty-five (25) years after the date of issuance, pursuant to approval by the Local Finance Board and all other applicable agreements entered into by the parties.

ARTICLE IV - ANNUAL SERVICE CHARGES

Section 4.1 Annual Service Charges

In consideration of the tax exemption, the Entity shall make the following annual payments for the services provided to the Phase IB Project:

i. Base Annual Service Charge: The Entity shall pay to the City the Base Annual Service Charge in an amount equal to 7% of the Annual Gross Revenue. Beginning on the first day of Year 21 until the last day of Year 25, the Entity shall pay the greater of the Base Annual Service Charge or ninety-five percent (95%) of conventional taxes otherwise due. The Base Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue, attached hereto as Exhibit 6. Thereafter, the Base Annual Service Charge shall be adjusted in accordance with this Agreement.

ii. County Annual Service Charge: The Entity shall pay to the City the County Annual Service Charge, which amount shall be the sum of: (a) five percent (5%) of the sum of the Base Annual Service Charge, each as adjusted pursuant to the terms hereof.

iii. Pledged Annual Service Charge: For so long as Redevelopment Bonds are outstanding and secured by the Pledged Annual Service Charge, the Entity shall pay to the City the Pledged Annual Service Charge in the amounts set forth in Schedule 1 attached hereto. The Pledged Annual Service Charge shall be adjusted, at the direction of the Entity, to reflect any redemption, refunding, prepayment or other change in the debt service requirements with respect to the Redevelopment Bonds. The Pledged Annual Service Charge shall terminate at such time as Redevelopment Bonds are no longer outstanding or no longer secured by the Pledged Annual Service Charge.

As security for the Redevelopment Bonds, the City and the Entity agree to and hereby assign all of their interest in each Pledged Annual Service Charge to the trustee under the Trust Indenture to pay, and secure the payment of, Redevelopment Bonds. The City's pledge of the Pledged Annual Service Charge shall be absolute. The Pledged Annual Service Charge shall not be included in the general funds of the City. The City's obligation to pay the Pledged Annual Service Charge to the trustee shall be a limited obligation of the City, payable by it only to the extent of payments of Pledged Annual Service Charges received from the Entity, and shall not constitute a general obligation of the City. The City and the Entity shall each take such further actions as may be reasonably requested to effectuate the issuance of the Redevelopment Bonds and the transactions contemplated thereby.

iv. The Minimum Annual Service Charge shall be due beginning on the effective date of this Agreement. Beginning on the first day of the month after Substantial

Completion, the Minimum Annual Service Charge set forth in Section 1.2(xvii)(b) shall be due in any year where it exceeds the Base Annual Service Charge. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Base Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Section 4.2 Staged Adjustments

Pursuant to the RAB Law (N.J.S.A. 40A:12A-66), service charges payable hereunder shall not be adjusted in stages over the term of the tax exemption period in accordance with the Long Term Tax Exemption Law, N.J.S.A. 40A:20-12. This exemption to the requirement for staged adjustments shall not affect the calculation of the Base Annual Service Charge as defined in Section 4.1(i).

Section 4.3 Land Tax

The Entity is required to pay both the Base Annual Service Charge and the pro-rated Land Taxes for Master Unit 1 beginning on the Effective Date of this Agreement, and beginning upon Substantial Completion. The Entity is obligated to make timely Land Tax Payments in order to be entitled to a Land Tax credit against the Base Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Base Annual Service Charge. The initial Land Tax Credit shall be given no earlier than twelve months following Substantial Completion. The Entity shall not be entitled to a refund if the Land Tax credit exceeds the Base Annual Service Charge in any year and shall forfeit that sum. Land Tax Payments shall not be credited against the Pledged Annual Service Charge. In any quarter that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credit against the Base Annual Service Charge until the Land Taxes are paid in full. No credit will be applied against the Base Annual Service Charge for a partial payment of Land Taxes until they are paid in full. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

Section 4.4 Quarterly Installments/Interest

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within ninety (90) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge or any other charge due under this Agreement, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid in full.

Section 4.5 Administrative Fee

The Entity shall also pay an annual administrative fee [Administrative Fee] to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two percent (2%) of each prior year's Annual Service. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge.

Section 4.6 Affordable Housing Contribution

No contribution to the City's Affordable Housing Trust Fund shall be required of the Entity pursuant to Ordinance _____ awarding this tax exemption, as long as the Entity shall, by a recorded deed or agreement, restrict (thereby set aside) twenty percent (20%) of the project for moderate income affordable housing for the Affordable Housing Term. In the event that the Entity should voluntarily terminate its tax exemption or take action to cause the restriction to expire, prior to the expiration of the Affordable Housing Term, the Entity shall make the Affordable Housing Trust Fund contribution to the City in the amount of \$663,467, as shall be adjusted for inflation, within thirty days of the termination or expiration.

Section 4.7 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charge, Base Annual Service Charge, Pledged Annual Service Charge, including adjustments thereto, Administrative Fees, Affordability Controls, Affordable Housing Contributions or status of recorded restrictions exempting the Entity therefrom, and any interest thereon, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

Section 5.1 Project Employment and Contracting Agreement

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment and Contracting Agreement, attached hereto as Exhibit 8.

Section 5.2 Project Labor Agreement

The Entity shall execute a Project Labor Agreement as required by Ordinance 07-123 as it exists or as it may be amended from time to time. A copy of the fully executed Project Labor Agreement shall be provided to the City and attached hereto as Exhibit 11 within 14 days of the Entity's receipt thereof.

Section 5.3 Living Wage Mandate (Projects with construction costs exceeding \$25 million)

The Entity also agrees to comply with the requirements of Section 3-76 of the Jersey City Municipal Code concerning required wage, benefit and leave standards for building service workers. All janitors and unarmed security guards employed at the Projects, including by any

and all tenants or subtenants of the developer, shall not be paid less than the standard hourly rate of pay and benefits for their respective classifications and shall be provided with paid leave in accordance with the provisions of the Jersey City Municipal Code Section 3-51G(1).

ARTICLE VI - CERTIFICATE OF OCCUPANCY

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction substantially in accordance with the proposed construction schedule attached hereto as Exhibit 5.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

ARTICLE VII - ANNUAL REPORTS

Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

Section 7.2 Periodic Reports

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to gross revenue, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Phase IA Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year, plus excess net profit, if any, in accordance with Article VII hereof. Excess Net Profit shall be paid to the City for each year an excess net profit is generated.

B. Total Project Cost Audit: Within ninety (90) days after Substantial Completion of the Phase IB Project, the Entity shall submit to the Mayor, Municipal Council, the Tax Collector and

the City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, including but not limited to an audit of actual construction costs as certified by the Phase IB Project architect.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Phase IB Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time. Unless the owner is a publicly traded corporation, all disclosures shall include the ownership interests down to the individual persons owning any corporate interest in the Entity.

Section 7.3 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Phase IB Project and, if deemed appropriate or necessary, any other related entity by representatives duly authorized by the City or the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, an annual examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity for any year during which the tax exemption financial agreement was in full force and effect.

Section 7.4 Payment of City's Audit Costs

All costs incurred by the City to conduct a review of the Entity's audits, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15, to be calculated annually.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five percent (5%) of the Annual Gross Revenue of the Entity for the last full fiscal year and may retain such part of the Excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five percent (5%) of the preceding year's Annual Gross Revenue.

Section 8.2 Annual Payment of Excess Net Profit

In the event the Net Profits of the Entity, in any year, exceeds the Allowable Net Profits for such year, then the Entity, within one hundred and twenty (120) days after the end of the year, shall pay such excess Net Profits to the City as an additional annual service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the Entity's Excess Net Profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2(xxiv) of this Agreement even though those costs may have been deducted from the project costs for purposes of calculating the Annual Service Charge.

Section 8.3 Payment of Reserve/Excess Net Profit Upon Termination, Expiration or Sale

The date of termination or expiration of this Agreement or the sale of the Phase I Project shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the balance of the Excess Net Profit, if any.

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Approval of Sale

Any sale or transfer of the Phase IB Project shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Phase IB Project and the transfer of this Agreement provided 1) the new entity does not own any other project subject to long term tax exemption at the time of transfer; 2) the new entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement are fully assumed by the new entity; 5) the Entity pays in full the maximum transfer fee, 2% of the Annual Service Charge, as permitted by N.J.S.A. 40A:20-10(d).

Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself provided that the transfer, if greater than 10%, is disclosed to the City in the annual disclosure statement or in correspondence sent to the City in advance of the filing of the annual disclosure statement.

Section 9.2 Transfer Application Fee

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Phase IB Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Phase IB Project shall be maintained and operated in accordance with the provisions of the Law. Operation of the Phase IB Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

Section 10.2 Disclosure of Lobbyist Representative

During the term of this Agreement, the Entity must comply with Executive Order 2002-005, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

ARTICLE XI - DEFAULT

Section 11.1 Default

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

Section 11.2 Cure Upon Default

Should the Entity be in Default, the City shall send written notice to the Entity of the Default [Default Notice]. The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such sixty (60) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. In order to secure the full and timely payment of the Annual Service Charge, the City on its own behalf, or on behalf of the JCRA and/or the Trustee, reserves the right to prosecute an In Rem Tax Foreclosure action

against the land and improvements in accordance with Applicable Law, as more fully set forth in this Financial Agreement.

In addition, the City may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, maintain Affordability Controls, or the status of the restriction on the moderate income affordable housing units which qualifies the Entity for an exemption therefrom, the Annual Service Charges, shall not be subject to the default procedural remedies as provided in Article XI herein, but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution maintain Affordability Controls, or the status of the restriction on the moderate income affordable housing units which qualifies the Entity for an exemption therefrom or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, maintain Affordability Controls, or the status of the restriction on the moderate income affordable housing units which qualifies the Entity for an exemption therefrom, Administrative Fees, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Tax Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

ARTICLE XII- TERMINATION

Section 12.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

Section 12.2 Voluntary Termination by the Entity

Except for so long as Redevelopment Bonds are outstanding and secured by the Pledged Annual Service Charge (during which period the Entity shall not relinquish its status as a tax exempt project), the Entity may notify the City that it will relinquish its status as a tax exempt

project, after the expiration of one year from the Substantial Completion of the Phase IB Project, as of the January 1 of the year next ensuing. The Entity's failure to maintain Affordability Controls in Section 2.3.1 for the Affordable Housing Term will be treated as an event of Voluntary Termination and the Entity shall pay the City the Affordable Housing Contribution, to be collected in accordance with Section 11.3 of this Agreement. The Notice of Voluntary Termination must be received by the City no later than October 1st of the tax year preceding the calendar year in which the termination is to occur. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate. However, under no circumstances will the Entity be entitled to any refund, in whole or in part, of any funds paid to the City to obtain the tax exemption, including but not limited to the Affordable Housing Contribution, should same be required.

Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any remaining excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 12.4 Conventional Taxes

Upon Termination or expiration of this Agreement, the tax exemption for the Phase IA Project shall expire and the land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

ARTICLE XIII - DISPUTE RESOLUTION

Section 13.1 Arbitration

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The Entity shall pay the City's cost for the arbitration if the City is the prevailing party. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Section 4.7 as Material Conditions.

Section 13.2 Appeal of Assessment

In calculating the amount of taxes otherwise due for any purpose, the Entity may file an appeal of the conventional assessment with the Hudson County Tax Board or the Superior Court of New Jersey, Tax Court to determine the value of land and Improvements.

ARTICLE XIV - WAIVER

Section 14.1 Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit the City's right to audit or recover any amount which the City has under law, in equity, or under any provision of this Agreement.

ARTICLE XV – INDEMNIFICATION

Section 15.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action by a third party alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs, through trial and all stages of any appeal, including the cost of enforcing this indemnity) arising out of this Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

ARTICLE XVI- NOTICE

Section 16.1 Certified Mail

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

Section 16.2 Sent by City

When sent by the City to the Entity the notice shall be addressed to:

GS FC Jersey City Pop I Urban Renewal, LLC
c/o Forest City Residential Group, LLC
Terminal Tower
50 Public Square, Suite 1300
Cleveland, OH 44113-2267
Attn: General Counsel

And

Connell Foley LLP
Harborside Financial Center
2510 Plaza Five
Jersey City, NJ 07311
Attn: W. Nevins McCann, Esq.

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

Section 16.3 Sent by Entity

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Phase IB Project to which it relates (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

ARTICLE XVII-SEVERABILITY

Section 17.1 Severability

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the

parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Section 18.2 Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

Section 18.3 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

Section 18.4 Entire Document

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 18.5 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the City.

ARTICLE XIX – SCHEDULES AND EXHIBITS

Section 19.1 Schedules

The following Schedules are attached hereto and incorporated herein as if set forth at length herein:

1. Base Annual Service Charge and Pledged Annual Service Charge.

Section 19.2 Exhibits

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Contribution Agreement between GS FC Jersey City Pep 2 LLC and GS FC Jersey City Pep 2 Urban Renewal LLC
2. Metes and Bounds description of the Project;
3. Ordinance of the City authorizing the execution of this Agreement;
4. The Application with Exhibits;
5. Certificate of the Entity;
6. Estimated Construction Schedule;
7. The Financial Plan for the undertaking of the Phase IB Project;
8. Good Faith Estimate of Initial Rental Schedule and Lease Terms;
9. Project Employment and Contracting Agreements and Project Labor Agreement;
10. Architect's Certification of Actual Construction Costs;
11. Entity's Deed to be provided upon recordation;
12. Executed Project Labor Agreement.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

WITNESS:

**GS FC JERSEY CITY PEP 2 URBAN RENEWAL
LLC**

By: GS FC Jersey City Pep 2, LLC, its Managing Member

By: _____, its Manager

ATTEST:

By:

CITY OF JERSEY CITY

Robert Byrne, RMC, City Clerk

Robert J. Kakoleski, CMFO, Business
Administrator

SOURCES AND USES OF FUNDS

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Dated Date 09/15/2015
Delivery Date 09/15/2015

Sources:

Bond Proceeds:

Par Amount 9,999,774.00

9,999,774.00

Uses:

Project Fund Deposits:

Project Fund 9,799,775.13

Delivery Date Expenses:

Cost of Issuance 150,000.00

Underwriter's Discount 49,998.87

199,998.87

9,999,774.00

BOND SUMMARY STATISTICS

City of Jersey City Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Dated Date	09/15/2015
Delivery Date	09/15/2015
Last Maturity	09/15/2040
Arbitrage Yield	7.000024%
True Interest Cost (TIC)	7.047583%
All-In TIC	7.192263%
Average Life (years)	16.862
Duration of Issue (years)	10.901
Par Amount	9,999,774.00
Bond Proceeds	9,999,774.00
Total Interest	11,938,150.00
Net Interest	11,988,148.87
Total Debt Service	23,413,150.00
Maximum Annual Debt Service	1,020,700.00
Average Annual Debt Service	936,526.00
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	5.000000
Total Underwriter's Discount	5.000000
Bid Price	99.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
2040 Term Bond	9,999,774.00	100.000		16.862	13,311.00
	9,999,774.00			16.862	13,311.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	9,999,774.00	9,999,774.00	9,999,774.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-49,998.87	-49,998.87	
- Cost of Issuance Expense		-150,000.00	
- Other Amounts			
Target Value	9,949,775.13	9,799,775.13	9,999,774.00
Target Date	09/15/2015	09/15/2015	09/15/2015
Yield	7.047583%	7.192263%	7.000024%

BOND PRICING

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Principal per \$5,000 at Maturity	CAB Value at Maturity
2040 Term Bond:	09/15/2040	9,999,774	7.000%	7.000%	100.000	4,357.20	11,475,000
		9,999,774					11,475,000

Dated Date	09/15/2015
Delivery Date	09/15/2015
First Coupon	03/15/2018

Par Amount	9,999,774.00
Original Issue Discount	

Production	9,999,774.00	100.000000%
Underwriter's Discount	-49,998.87	-0.500000%

Purchase Price	9,949,775.13	99.500000%
Accrued Interest		

Net Proceeds	9,949,775.13
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BOND DEBT SERVICE
City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service	Annual Debt Service
03/15/2018			401,625		401,625	
09/15/2018	187,359.60	7.000%	401,625	27,640.40	616,625	
12/31/2018						1,018,250
03/15/2019			394,100		394,100	
09/15/2019	200,431.20	7.000%	394,100	29,568.80	624,100	
12/31/2019						1,018,200
03/15/2020			386,050		386,050	
09/15/2020	213,502.80	7.000%	386,050	31,497.20	631,050	
12/31/2020						1,017,100
03/15/2021			377,475		377,475	
09/15/2021	230,931.60	7.000%	377,475	34,068.40	642,475	
12/31/2021						1,019,950
03/15/2022			368,200		368,200	
09/15/2022	244,003.20	7.000%	368,200	35,996.80	648,200	
12/31/2022						1,016,400
03/15/2023			358,400		358,400	
09/15/2023	261,432.00	7.000%	358,400	38,568.00	658,400	
12/31/2023						1,016,800
03/15/2024			347,900		347,900	
09/15/2024	278,860.80	7.000%	347,900	41,139.20	667,900	
12/31/2024						1,015,800
03/15/2025			336,700		336,700	
09/15/2025	300,646.80	7.000%	336,700	44,353.20	681,700	
12/31/2025						1,018,400
03/15/2026			324,625		324,625	
09/15/2026	322,432.80	7.000%	324,625	47,567.20	694,625	
12/31/2026						1,019,250
03/15/2027			311,675		311,675	
09/15/2027	344,218.80	7.000%	311,675	50,781.20	706,675	
12/31/2027						1,018,350
03/15/2028			297,850		297,850	
09/15/2028	370,362.00	7.000%	297,850	54,638.00	722,850	
12/31/2028						1,020,700
03/15/2029			282,975		282,975	
09/15/2029	392,148.00	7.000%	282,975	57,852.00	732,975	
12/31/2029						1,015,950
03/15/2030			267,225		267,225	
09/15/2030	422,648.40	7.000%	267,225	62,351.60	752,225	
12/31/2030						1,019,450
03/15/2031			250,250		250,250	
09/15/2031	453,148.80	7.000%	250,250	66,851.20	770,250	
12/31/2031						1,020,500
03/15/2032			232,050		232,050	
09/15/2032	483,649.20	7.000%	232,050	71,350.80	787,050	
12/31/2032						1,019,100
03/15/2033			212,625		212,625	
09/15/2033	514,149.60	7.000%	212,625	75,850.40	802,625	
12/31/2033						1,015,250
03/15/2034			191,975		191,975	
09/15/2034	553,364.40	7.000%	191,975	81,635.60	826,975	
12/31/2034						1,018,950
03/15/2035			169,750		169,750	
09/15/2035	592,579.20	7.000%	169,750	87,420.80	849,750	
12/31/2035						1,019,500

BOND DEBT SERVICE

City of Jersey City
Redevelopment Area Bonds (Forest Hills Project) Series 2015 (Federally Taxable)

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service	Annual Debt Service
03/15/2036			145,950		145,950	
09/15/2036	631,794.00	7.000%	145,950	93,206.00	870,950	
12/31/2036						1,016,900
03/15/2037			120,575		120,575	
09/15/2037	675,366.00	7.000%	120,575	99,634.00	895,575	
12/31/2037						1,016,150
03/15/2038			93,450		93,450	
09/15/2038	723,295.20	7.000%	93,450	106,704.80	923,450	
12/31/2038						1,016,900
03/15/2039			64,400		64,400	
09/15/2039	775,581.60	7.000%	64,400	114,418.40	954,400	
12/31/2039						1,018,800
03/15/2040			33,250		33,250	
09/15/2040	827,868.00	7.000%	33,250	122,132.00	983,250	
12/31/2040						1,016,500
	9,999,774.00		11,938,150	1,475,226.00	23,413,150	23,413,150

PLEDGE AND ASSIGNMENT AGREEMENT

THIS PLEDGE AND ASSIGNMENT AGREEMENT dated as of _____, 2015 (the "Assignment"), is entered into by and among the **CITY OF JERSEY CITY** (the "Assignor" or the "City"), a municipal corporation in the County of Hudson, State of New Jersey, having an address at 280 Grove Street, Jersey City, New Jersey 07302, the **JERSEY CITY REDEVELOPMENT AGENCY** ("Assignee" or the "Agency"), a body corporate and politic constituting an instrumentality of the City of Jersey City, having an address at 30 Montgomery Street, Jersey City, New Jersey 07302 and **[NAME OF BANKING INSTITUTION]**, as Trustee (the "Trustee"), a [national/state] banking association, having a corporate trust office and place of business in _____, New Jersey.

WITNESSETH:

WHEREAS, the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.) as amended and supplemented (the "Redevelopment Law") promotes the social and economic improvement of the State of New Jersey (the "State") and its several municipalities, in part, by providing a process for the redevelopment, rehabilitation and improvement of commercial and industrial facilities; and

WHEREAS, the Agency was established as an instrumentality of the City of Jersey City (the "City") pursuant to the provisions of the Redevelopment Law with responsibility for implementing redevelopment plans and carrying out redevelopment projects in the City; and

WHEREAS, the Agency, to accomplish the purposes of the Redevelopment Law, is empowered to extend credit to such employment promoting enterprises in the name of the Agency, on such terms and conditions and such manner as it may deem proper for such consideration and upon such terms and conditions as the Agency may determine to be reasonable; and

WHEREAS, the City, in accordance with the criteria set forth in the Redevelopment Law, by resolution, established a portion of an area constituting Block 11603, Lot 3 as an area in need of rehabilitation (the "Rehabilitation Area" or the "Project Premises") and adopted and subsequently amended a redevelopment plan for the area entitled the Harsimus Cove Station Redevelopment Plan as may be amended and supplemented from time to time (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Area is governed by the Redevelopment Plan, a copy of which has been filed in the Office of the Clerk of the City, located at City Hall, 280 Grove Street, Jersey City, New Jersey; and

WHEREAS, the Redevelopment Law authorizes the Agency to arrange or contract with a redeveloper for the planning, construction or undertaking of any project or redevelopment work in an area designated as an area in need of redevelopment; and

WHEREAS, GS FC Jersey City I, LLC and GS FC Jersey City PEP 1 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City I, LLC and GS FC Jersey City II, LLC and GS FC Jersey City PEP 2 Urban Renewal LLC, which is a wholly owned by GS FC Jersey City II, LLC (collectively, the "Redeveloper"), as the fee title owner of the Project Premises, made application to the Agency to be designated as the redeveloper to redevelop the Project Premises; and

WHEREAS, that certain Redevelopment Agreement between the Agency and A-S-H Management Corporation dated April 12, 1985 as amended by that certain Amendment to Redevelopment Agreement between the JCRA and National Bulk Carriers, Inc. ("National Bulk") dated January 7, 1986, Amendment to Redevelopment Agreement between the JCRA and National Bulk dated April 30, 1991, Third Amendment to Redevelopment Agreement between the JCRA and National Bulk dated August 11, 1993, Fourth Amendment to the Contract for Sale of Private Land among National Bulk, G&S and JCRA dated January 28, 1997, Fifth Amendment to the Contract for Sale of Private Land among National Bulk, G&S and JCRA dated June 10, 1997, Sixth Amendment to the Contract for Sale of Private Land between American Financial Exchange L.L.C. and JCRA dated December 19, 2001, Seventh Amendment to the Contract for Sale and Redevelopment of Private Property in the Hudson Exchange Redevelopment Area among National Bulk, G&S and the JCRA (undated) and Assignment and Assumption Agreement between the Entity and the JCRA dated _____, 2015 (collectively, the "Redevelopment Agreement"), wherein the Entity assumed the obligation to redevelop the Redevelopment Project (as defined herein) pursuant to the Redevelopment Law, was entered into between the Agency and the Redeveloper for the redevelopment of the Project Premises; and

WHEREAS, the Redeveloper has recorded a Master Deed, (as the same may be amended and supplemented, the "Master Deed") to submit all of the Project Premises to the condominium form of ownership and incorporate the same as part of a condominium regime under the New Jersey Condominium Act, N.J.S.A. 46:8B-1 et seq., to be known as "Warren and 6th Condominium"; and

WHEREAS, GS FC Jersey City PEP 1 Urban Renewal LLC ("FC I"), wholly-owned by the Redeveloper, will construct phase 1 of the redevelopment project as condominium unit 1 under the Master Deed, which is expected to consist of a new mixed-income thirty five (35) story building containing approximately four hundred twenty one (421) residential units, twenty percent (20%) or eighty-five (85) of which will be affordable housing units as hereinafter defined, approximately 12,435 square feet of ground-level retail space and a parking garage for approximately two hundred sixty four (264) parking spaces all located at the northeast corner of the Redevelopment Area ("Phase I Project"); and

WHEREAS, GS FC Jersey City PEP 2 Urban Renewal LLC ("FC II"), wholly-owned by the Redeveloper, will construct phase 2 of the redevelopment project as condominium unit 2 under the Master Deed, which is expected to consist of a new mixed-income thirty six (36) story building containing approximately four hundred thirty two (432) residential units, twenty percent (20%) or eighty-seven (87) of which will be affordable housing units as hereinafter defined, approximately 10,311 square feet of ground-level retail space and a parking garage for

approximately two hundred one (201) parking spaces located adjacent to the Phase I Project ("Phase II Project") and, together with the Phase I Project, the "Redevelopment Project"; and

WHEREAS, in order to enhance the viability of the Redevelopment Project, the City has granted a long-term tax exemption pursuant to N.J.S.A. 40A:20-1 et seq., as amended (the "Tax Exemption Law"), and has entered into separate Financial Agreements with each of FC I and FC II, each dated [_____, 2015] (individually, a "Financial Agreement" and collectively, the "Financial Agreements"), governing payments made to the City in lieu of real estate taxes on each condominium unit in the Redevelopment Project; and

WHEREAS, each of the Financial Agreements provides for the payment by FC I and FC II, as applicable, of, among other things, a Base Annual Service Charge (as defined in each Financial Agreement, the "Base Annual Service Charge") and a Pledged Annual Service Charge (as defined in each Financial Agreement, and as the same may be amended, revised or recalculated from time-to-time pursuant to the terms thereof, the "Pledged Annual Service Charge"); and

WHEREAS, the Redevelopment Project requires certain on-site and off-site public improvements and infrastructure, including a pedestrian mall, certain of which will be undertaken by FC I in connection with the Phase I Project, but which benefit the entire Redevelopment Project, including, if and when completed, the Phase II Project; and

WHEREAS, pursuant to the Redevelopment Law, the Redevelopment Project is a redevelopment project in a redevelopment area, within the meaning of such law, and the Agency has agreed in the Redevelopment Agreement to issue the Bonds pursuant to the Redevelopment Area Bond Financing Law, as amended and supplemented, N.J.S.A. 40A:12A-64 et seq. (the "RAB Law"), to finance a portion of the costs of the Redevelopment Project; and

WHEREAS, pursuant to the Redevelopment Law, including the RAB Law, the Agency has determined to issue its Redevelopment Area Taxable Bonds (Forest City Project) (the "Bonds"), in the aggregate principal amount of not to exceed \$20,000,000, which may be issued in one or more series, to: (i) fund certain of the costs of the Redevelopment Project; and (ii) pay certain costs incidental to the issuance and sale of the Bonds, together with other costs permitted by the Redevelopment Law (collectively, the "Project"); and

WHEREAS, following the issuance of the Bonds, the proceeds will be deposited under this Indenture and applied in accordance with a Funding Agreement, by and among the Agency, FC I and FC II, respectively, and the Trustee (each a "Funding Agreement"), to fund a grant by the City to FC I, [for the benefit of it,] and FC II, to pay costs of the Project; and

WHEREAS, each Financial Agreement provides at Section 4.1.iii., that: (i) as security for the Bonds, the City and FC I and FC II, as applicable, agree to and thereby assign all of their interest in each Pledged Annual Service Charge to the Trustee to pay, and secure the payment of, the Bonds; (ii) the City's pledge of the Pledged Annual Service Charge shall be absolute; (iii) the Pledged Annual Service Charge shall not be included in the general funds of the City; and (iv) the City's obligation to pay the Pledged Annual Service Charge to the Trustee shall be a limited obligation of the City, payable by it only to the extent of payments of Pledged Annual Service

Charges received from FC I and FC II, as applicable, and shall not constitute a general obligation of the City; and

WHEREAS, the Agency, the City and the Trustee entered into a Pledge and Assignment Agreement, dated the date hereof, to further memorialize the pledge and assignment of the Pledged Annual Service Charges to the Trustee as security for the Bonds (the "Pledge Agreement"); and

WHEREAS, certain obligations in connection with the Financial Agreements may be secured by a guaranty (the "Guaranty Agreement") made by the Redeveloper or an affiliate thereof in favor of the Agency; and

WHEREAS, the Agency, the City and the Trustee are entering into this Pledge and Assignment Agreement to further memorialize the pledge and assignment of the Pledged Annual Service Charges to the Trustee as security for the Bonds; and

WHEREAS, certain obligations in connection with the Financial Agreements may be secured by a guaranty (the "Guaranty Agreement") made by the Redeveloper or an affiliate thereof in favor of the Agency; and

WHEREAS, the execution and delivery of this Assignment have been duly authorized by the parties hereto and all conditions, acts and things necessary and required by the Constitution or statutes of the State of New Jersey or otherwise to exist, to have happened, or to have been performed precedent to or in the execution and delivery of this Assignment do exist, have happened and have been performed.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignor, the Assignor covenants and agrees with the Assignee as follows:

1. The Assignor hereby absolutely and presently grants, conveys, transfers and assigns unto the Assignee all of the right, title and interest of the Assignor (unless otherwise expressly provided herein, or unless the context clearly requires otherwise, capitalized terms used in this Assignment shall have the meanings ascribed thereto in the Financial Agreement):

a. in and to all of the Pledged Annual Service Charges (which assignment herein is intended to further memorialize the assignment by the Assignor to the Trustee in each Financial Agreement; which assignment shall be deemed to be an assignment by the Assignor to the Assignee, and by the Assignee to the Trustee under the Trust Indenture);

b. in and to all rights to collect and enforce the rights to the Pledged Annual Service Charges, including the right to interest, penalties and costs of collection relating thereto; and

c. the Assignor represents and warrants that this Assignment has been duly authorized by all necessary actions on the part of the governing body and upon execution and delivery will constitute a legal, valid and binding obligation of the Assignor, enforceable against

the Assignor in accordance with the terms and the provisions of this Assignment, except as may be limited by bankruptcy laws or other creditors rights in general.

The foregoing are referred to herein as the "Assigned Rights". This Assignment is an unconditional, absolute and present assignment and not a mere assignment in the nature of a pledge or the mere grant of security interest.

2. The Assignor represents, warrants and agrees that:

a. the Assignor is entitled to receive all of the Pledged Annual Service Charges in accordance with the terms of the Financial Agreement;

b. the Assignor has not previously sold, assigned or transferred the Assigned Rights (except as set forth in the Financial Agreements);

c. the Assignor has full power and authority to assign the Assigned Rights to the Assignee and has taken such actions as are necessary in order to effectuate this Assignment;

d. the Assignor shall not sell, assign or transfer the Assigned Rights during the term of the Assignment, except as assigned hereunder;

e. the Assignor will, from time to time, execute upon request of the Assignee or the Trustee, any and all instruments requested by the Assignee or Trustee to carry this instrument into effect or to accomplish any other purposes reasonably deemed by the Assignee or the Trustee to be necessary or appropriate in connection with this Assignment; and

f. in addition to such other rights and remedies the Assignee may elect to pursue at law or in equity, the Assignor will take such action as the Assignee or the Trustee shall reasonably request in order that the Assignee may realize the benefits of this Assignment and receive the Pledged Annual Service Charges; such actions may include, but shall not be limited to, conducting an *In Rem* Foreclosure action in accordance with the provisions of the Tax Sale Law, constituting Chapter 237 of the Pamphlet Laws of 1918 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (the "Tax Sale Law", codified in N.J.S.A. 54:5-1 et seq.), provided the Assignor is permitted by law to conduct such *In Rem* Foreclosure action on behalf of the Assignee.

3. It is mutually agreed that as security for the Bonds, and any bonds or notes issued for the purpose of refunding the Bonds, the Assignee is authorized to pledge and assign all of its interest in this Assignment to the Trustee as part of the pledge of the Trust Estate under the Trust Indenture or under any supplemental indenture executed in conjunction with any bonds or notes issued for the purpose of refunding the Bonds.

4. This Assignment shall not operate to restrict or prevent the Assignor or Assignee from pursuing any remedy that it now or hereafter may have because of any present or future breach of the terms or conditions of the Financial Agreement, the Bonds, or the Trust Indenture.

5. The Assignee shall be accountable only for the Pledged Annual Service Charges that the Assignee actually receives under the terms hereof.

6. Failure of the Assignee to do any of the things or exercise any of the rights, interests, powers or authorities hereunder shall not be construed to be a waiver of any of the rights, interests, powers or authorities hereby assigned and granted to the Assignee.

7. The Assignor will not modify, change, alter, supplement, amend, surrender or accept surrender of the Assigned Rights without the Assignee's prior written consent, which consent shall not be unreasonably withheld or delayed. The Assignor shall, however, perform all of its obligations under or pursuant to the Assigned Rights and shall enforce the rights, interest, powers and authorities granted the Assignor pursuant to the Assigned Rights.

8. The Assignor shall promptly notify the Assignee in the event of any default under any Financial Agreement.

9. The Assignor shall cause this Assignment and each Financial Agreement (or evidence of same) to be recorded in such public offices in which such filing and recording may be necessary to constitute record notice of this Assignment and the terms and provisions hereof as applicable to the RAB Law.

10. Upon the redemption or defeasance, as the case may be, of the Bonds and the payment and performance of all other obligations secured hereby, this Assignment shall terminate and upon the request of the Assignor and at its expense, the Assignee shall execute a release hereof.

11. This Assignment inures to the benefit of the named Assignee and its successors and assigns and binds the Assignor and the Assignor's successors, assigns and legal representatives, heirs, legatees and devisees.

12. Any notice required hereunder to be sent by any party to another party shall be sent to all other parties hereto simultaneously by certified or registered mail, return receipt requested, as follows:

a. When sent to the Assignor, it shall be addressed to the Corporation Counsel, City Hall, 280 Grove Street, Jersey City, New Jersey 07302.

b. When sent to the Agency it shall be addressed to the Jersey City Redevelopment Agency, 30 Montgomery Street, Jersey City, NJ 07302 Attn: Executive Director.

c. The Trustee shall be provided copies of all notices given hereunder, which shall be addressed to [NAME OF BANKING INSTITUTION], _____, New Jersey _____, Attn: _____.

d. The Redeveloper shall be provided copies of all notices given hereunder, which shall be addressed to Terminal Tower, 50 Public Square, Suite 1300, Cleveland, Ohio 4413-226 Attn: c/o Forest City Residential Group, Inc.

13. If any term or provision of this Assignment, or the application thereof to any person or circumstances shall, to any extent be invalid or unenforceable, the remainder of this Assignment, or the application of such term or provision to persons or circumstances other than

those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Assignment shall be valid and be enforced to the fullest extent permitted by law.

14. Neither the Assignor nor its officers, members, employees, agents or directors shall have any personal liability hereunder, the Assignee's recourse to the Assignor being limited to the Assigned Rights.

(Signatures to appear on following page).

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment to be duly executed and delivered as of the date and year first above written.

ATTEST:

CITY OF JERSEY CITY

Robert Byrne, RMC
City Clerk

By: _____
Honorable Steven M. Fulop
Mayor

ACKNOWLEDGED AS OF THE DATE FIRST ABOVE WRITTEN:

JERSEY CITY REDEVELOPMENT AGENCY

By: _____

[NAME OF BANKING INSTITUTION]
as Trustee

By: _____

ACKNOWLEDGEMENT

STATE OF NEW JERSEY :
: SS.
COUNTY OF HUDSON :

On this ___ day of _____, 2015, before me, the subscriber, an officer duly authorized to take acknowledgements for use in the State of New Jersey, personally appeared Steven M. Fulop, Mayor of the City of Jersey City, known to me to be the person whose name is subscribed to the within instrument, having been duly authorized by proper action of the City, and acknowledged to me that he executed the same as the voluntary act of the City.

STATE OF NEW JERSEY :
: SS.
COUNTY OF HUDSON :

On this ___ day of _____, 2015, before me, the subscriber, an officer duly authorized to take acknowledgements for use in the State of New Jersey, personally appeared Robert Byrne, RMC, the Clerk of the City of Jersey City, known to me to be the person whose name is subscribed to the within instrument, having been duly authorized by proper action of the City, and acknowledged to me that he executed the same as the voluntary act of the City.
